FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

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A cockpit of violence in Sri Lanka, Page 3

NEWS SUMMARY

GENERAL

Iranians arrested on bribe charges

Several senior Iranian Government officials have been arrested for taking bribes worth a total of IR 30m ($329,000), according to official reports from Tehran.

The incident is the first publicised case of corruption since the establishment of the Islamic Government in Tehran.

The arrests were ordered by Mr Behzad Nabavi, Minister of Heavy Industry, who only last week was accused by members of Iran's parliament of conducting commercial relations with Eastern bloc atheist countries and not being sufficiently Islamic in his past behaviour. **Page 3**

Soviet talks

A high-level Egyptian delegation left Cairo at the weekend for talks in Moscow aimed at further increasing trade with the Soviet Union. **Page 4**

Nerve gas claims

The West German Government said it was worried by allegations that Iraq might convert a German-built pesticide plant to make Tabun, a nerve gas.

Afghan attacks

Pakistan's Foreign Ministry said 51 people had been killed in Afghan air and artillery attacks along the border. **Page 3**

Turkish arrests

Turkish security forces arrested 31 suspected members of the banned Fatherland Party.

Lebanese roads cut

Israel tightened its grip on southern Lebanon by closing the only roads linking the area with the rest of the country: two inland mountain routes running through the Druze villages of Bater and Niha. **Page 3**

Israeli unemployment

Unemployment in Israel has reached 5.9 per cent, its highest level for three years, adding to the nation's severe economic problems of 400 per cent inflation and rising foreign debt, the Central Bureau of Statistics announced in Jerusalem.

Soviets in Red Sea

Two Soviet naval vessels entered the Red Sea and, according to Western diplomats, have joined the multi-national fleet searching for mines that have damaged at least 18 ships since July.

New Delhi violence

More than 500 supporters of Mr N.T. Rama Rao, the dismissed Chief Minister of India's Andhra Pradesh state, stoned New Delhi airport buildings when he failed to arrive on time **Page 3**

No threat to Greece

Greek Premier Andreas Papandreou cancelled plans for a joint military exercise with the U.S. in northern Greece on the ground that Athens perceived no threat from its Communist neighbours. **Page 2**

Solidarity threat

Recently released Solidarity activist Mr Jan Rulewski has been threatened with possible re-arrest after reading a poem in church which authorities claimed was designed to "incite resistance." **Page 2**

Tube collision

A London Underground railway driver was killed and 25 passengers injured when his train ran into a stationary train outside Leyton, an eastern suburb.

BUSINESS

Israeli reserves 'still falling'

ISRAEL'S foreign currency reserves, which fell dramatically in July, are dropping even further through the danger line, Knesset finance committee member Ariel Weinstein said. **Page 14**

SAUDI ARABIA'S King Fahd proposed yesterday that oil prices be "fixed for a specific number of years" to stabilise world markets in the interest of producing as well as consuming countries.

WALL STREET: The Dow Jones industrial average closed 5.08 up at 1,216.98. **Section III**

TOKYO shares rallied on small-lot buying, particularly of blue chips, pushing the Nikkei-Dow market average up 48.03 to 10,533.35. **Section III**

LONDON stocks were inactive on fading optimism for further interest rate cuts. Gilts closed ¼ point down and the FT Industrial Ordinary index ended 5.1 off at 833.2. **Section III**

DOLLAR improved in London to DM 2.868 (DM 2.86), FFr 8.806 (FFr 8.7775) and SwFr 2.395 (SwFr 2.3835) but eased to Y240.95 (Y241.0). Its trade-weighted index on Bank of England figures rose to 136.1 from 135.9. In New York it closed at DM 2.877, SwFr 2.404, Y241.40 and FFr 8.827. **Page 33**

STERLING was lower in London at $1.318 ($1.3225). It also fell to FFr 11.6175 (FFr 11.62) and Y317.5 (Y318.5), was unchanged at DM 3.7825 and improved to SwFr 3.1575 (SwFr 3.1475). Its trade-weighted index was unchanged at 78.5. In New York a closed at $1.316. **Page 33**

GOLD fell $2 an ounce on the London bullion market to close at $349.50. It also fell in Frankfurt and Zurich to $349.25. In New York, the Comex August settlement was $344. **Page 32**

FT GOLD MINES index fell 5 to 573.8 in quiet trading, while bullion lost $2 to $349.5. Despite this year's fall in the dollar price of gold, the South African rand's decline against the dollar has meant that rand prices of gold and South African mines' earnings have been well maintained. **Page 27; gold prices, Page 32**

U.S. ECONOMY grew by 7.6 per cent in the second quarter of 1984, marginally faster than earlier estimates, according to revised second-quarter U.S. gross national product figures released yesterday. **Page 4**

LLOYD'S, the London insurance market, has made a £6m ($7.8m) provision to cover the potential liabilities of 18 underwriting members who have not proved their financial solvency. **Page 14**

VOLVO, Swedish motor manufacturer, and Kuwait Petroleum, one of the leading petrol suppliers in Sweden, signed an agreement covering joint "commercial and technical development." **Page 14**

HOESCH, West German steel group, plans to continue its battle for influence over PHB Weserhütte (PHW), bulk materials handling company, in spite of failing to win board representation in a crucial shareholders' vote. **Page 15**

SANDVIK, Swedish cemented carbide and stainless-steel maker, increased first-half pre-tax profits to SKr 453m ($54.5m) from SKr 219m and revised its full-year profit forecast from SKr 500m to SKr 800m. **Page 15**

MARCHWIEL, British civil engineering and building group, lifted pre-tax profits nearly £1m to £7.37m ($9.5m) in the half year to April 30, on turnover up £24m to £144.53m. **Page 18**

Production difficulties in London may have resulted in typographical errors in unit trusts, some advertisements and elsewhere in today's edition.

Ferraro admits tax error and pays $53,000

BY REGINALD DALE IN DALLAS AND NANCY DUNNE IN WASHINGTON

MS GERALDINE FERRARO, the Democratic vice-presidential candidate, yesterday admitted to a "miscalculation" in her personal finances, as a result of which she has sent a cheque for $53,000 in interest and back taxes to the U.S. Internal Revenue Service (IRS).

However, in a tensely awaited disclosure of her and her husband's tax returns, she seemed to have been able to substantiate her claim that the family had paid a "fair share" of its dues to the Government.

Ms Ferraro's disclosure in Washington came as a supremely self-confident Republican Party opened a national convention in Dallas, the main purpose of which has been described as the "coronation" of President Ronald Reagan.

The Republicans were overjoyed at Ms Ferraro's difficulties. Some of them were still maintaining yesterday that her vice-presidential candidacy had suffered a potentially mortal blow. They believed that it would now be far more difficult for the Democrats to attack Mr Reagan as an "unfair, rich man's president."

Ms Ferraro is fighting for her political life after the sudden catapulting of her personal finances to national prominence as a campaign issue in the past few days.

The credibility of Ms Ferraro and her presidential running-mate, Mr Walter Mondale, was still at stake as the first details of her finances were released. Last night, as she started the delayed disclosure process in Washington there seemed to be more to come.

The two tax returns, the first of a mass of papers to be released, showed that Ms Ferraro had paid taxes representing almost 40 per cent of her earnings in the period 1979 to 1983. Her husband, Mr John Zaccaro, a prosperous New York property developer, paid over 41 per cent – considerably more than most middle-class Americans.

Questions, however, remained about 1978, the year in which Ms Ferraro first ran for the U.S. House of Representatives, thanks to what has turned out to be an illegal family loan.

Her campaign aides said the cheque for $53,000, which Ms Ferraro sent to the IRS yesterday, was to make up for an error over a capital gain that she had made in that year from the sale of an interest in a New York building.

According to his tax return, which he had at first refused to publicise for reasons of business privacy, Mr Zaccaro appeared to have earned rather less than had been suspected by political opponents who have tried to make his affairs a national political issue.

In 1981, for example, his gross income was only $41,000, compared to the $71,000 earned by Ms Ferraro.

With Mr Reagan running far ahead of the Democrats in the opinion polls, the Republicans who assembled in Dallas yesterday had little doubt that he would be overwhelmingly re-elected to the White House in November.

While the convention itself was being portrayed yesterday as boringly uncontroversial, Republican leaders were planning to use the gathering to celebrate the party's greatest unity for 30 years or so of U.S. political history.

The question for the Democrats remains whether yesterday's disclosures would end the controversy or still leave doubts that might continue to be exploited by the Republicans between now and the elections.

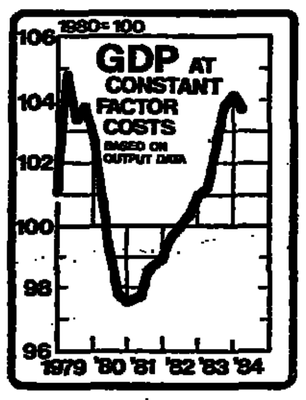
Most political analysts, however, believed that a few days would be needed for the full implications of Ms Ferraro's disclosures to sink in before the public reaction could be fully assessed.

Unless further errors are dis-

Continued on Page 14

UK output falls ½% in quarter

BY MAX WILKINSON IN LONDON



BRITISH OUTPUT fell by ½ per cent in the three months to June, according to an official estimate yesterday. It was the first fall for more than three year.

The fall reflects the loss of coal production during the UK miners' dispute. However, even if the effect of the strike is ignored, the underlying growth of the rest of the UK economy between the first and second quarters appears to have been sluggish.

Output from the manufacturing sector is estimated to have fallen by about ½ per cent in the period, according to figures released last week, while total industrial output, inlcluding coal production, fell by nearly 3 per cent.

Yesterday's figures show that the fall was offset by continued growth in the service sector of the economy with distributors' output rising by 3 per cent between the first and second quarters.

The loss of coal production, which normally accounts for about 1½ per cent of national output, is believed to have cut the output measure of gross domestic product (GDP) by ½ per cent in the first quarter of this year and by 1¼ per cent in the second quarter.

If an allowance is made for that effect, the growth of the economy in the 12 months to the second quarter of this year would have been 3.6 per cent. The recorded figure – which included the effect of the strike – shows growth of 2.4 per cent over the 12-month period.

The Central Statistical Office, which produced yesterday's estimates, cautions that a simple comparison of the two quarters' output might give an over-optimistic idea of the underlying growth rate of the economy.

That is because output in the second quarter of last year was rather depressed, with almost all the year's growth occurring in the last six months.

With that proviso, the figures appear to support the British Treasury's view during the spring and early summer that the underlying growth rate of the economy would have been a little over 3 per cent without the strike.

Most independent forecasters are now projecting growth of about 2 per cent for this year, compared with the GDP for 1983. They expect that some of the lost ground will be made up next year, assuming the miners' strike is over by then.

U.S. GNP up 7.6%, Page 4

French lamb import controls 'do not breach EEC rules'

BY IVO DAWNAY IN BRUSSELS

FRANCE and Britain may be set for a new long period of hostilities in their dispute over the lamb trade. It emerged yesterday that the European Commission might be unable to compel Paris to revoke the stringent controls it imposed last week on imports of British lamb.

The Commission, after a complaint last week from the British Government, yesterday called on France for an explanation within 10 days of the new controls. However, one Community official said: "At first glance there appears to be no breach of free-trade regulations."

France's justification for its move, which might develop into a total ban on imports of British lamb, rests on the level of Lindane – an insecticide used in sheep dipping – present in the imported meat.

Under French health regulations, no more than one part Lindane per million is allowed. In tests on random batches of British lamb, levels of up to 7.17 parts per million have been found.

As the EEC has no regulation controlling Lindane, national rules apply. Thus, it is argued, the French position is legitimate.

Commission legal experts will not look into the case. Officials are likely to view the controls as a breach of Community practice in spirit if not in law.

It has been noted in Brussels that the French move comes almost exactly two years after Britain imposed almost a total ban on poultry imports to the UK on the ground that pest controls in continental Europe were inadequate.

The ban was later lifted and court action established that it was illegal. However, the intervening period gave Britain's hard-pressed poultry industry time to recover.

French sheep farmers have long been angry at what they see as preferential treatment of their British competitors under the rules of the EEC's sheepmeat price support regime.

The terms of the regime come up for review at the end of the year, and there is certain to be pressure from Paris for a reform of existing arrangements. Those keep prices low and sales high in the UK but maintain high prices in France, where surplus produce is sold into intervention.

Andrew Gowers in London adds: French and British officials are expected to meet in Paris this week for talks on the French move. Date and venue have yet to be confirmed, but the meeting may take place as early as tomorrow.

Foreign banks reject Zanussi terms

By Alan Friedman in Milan

SEVERAL key foreign bank creditors of the troubled Zanussi home appliances group have rejected the financial terms of a rescue package under which Electrolux of Sweden would take over effective control.

Last Thursday, 14 foreign bank creditors which form a loan syndicate led by Banca Commerciale Italiana sent a telex to Zanussi, saying that a proposal that they accept a lump sum repayment of 70 per cent of their outstanding debt exposure was unacceptable. Members of another syndicate led by Banca Nazionale del Lavoro expressed the same view.

The foreign banks are asking for a 90 per cent repayment of principal instead, with interest up to date.

The foreign banks are complaining that they are being treated unfairly, since the Italian bank creditors of Zanussi, which hold the bulk of the group's L1046bn ($589m) total gross debt, are to reschedule the debt over seven years.

The foreign banks, comprising three separate loan syndicates, are owed between $50m and $60m of about $160m in outstanding dollar debts. The balance is owed to foreign subsidiaries of Italian banks.

One foreign bank creditor, who asked not to be named, said: "We regarded the offer of 70 per cent as unacceptable. We are offering to negotiate a full rescheduling, but if an immediate solution is required we are willing to consider 90 per cent."

Among the foreign bank creditors are Gulf International Bank, Hong Kong and Shanghai Bank, Indosuez Bank, Manufacturers Hanover Trust, Mitsubishi Bank, National Westminster Bank and UBAF Bank.

In Rome, a senior Italian banker who has been deeply involved in the Zanussi crisis talks, said he was becoming increasingly pessimistic as time was running out and a compromise must be reached in the next week or two.

"I am fearful that if no compromise is reached with the foreign banks the Italian Government may have to appoint a commissioner to manage the affairs of Zanussi," the banker said.

He added: "Those banks that are unwilling to accept a partial write-off must now realise that they will not get 90 per cent or even 70 per cent if a commissioner is appointed to run Zanussi as a going concern in receivership. They will get much, much less."

Under the Electrolux rescue plan, the Swedish company would take

Continued on Page 14

FCA sells 7m Amex shares for $222m

BY PAUL TAYLOR IN NEW YORK

FINANCIAL Corporation of America (FCA), the financially troubled holding company that controls the biggest savings and loan association in the U.S., yesterday sold a 7m block of shares in American Express, the diversified U.S. financial services group, for $222.25m or $31.75 a share.

The block trade, conducted through Salomon Brothers, was the second largest on record in terms of shares at the New York Stock Exchange, after a 10m block trade in Superior Oil in June at $42¾ a share. The dollar value of the transaction made it the fifth largest on record at the exchange.

The move by FCA, which last week was forced to restate its second-quarter earnings to show a $107.5m loss, had been widely expected.

It comes amid reports that retail depositors withdrew a further $200m in deposits last week from the American Savings and Loan Association, its main operating subsidiary.

There was also speculation that FCA's chairman, Mr Charles Knapp, might be replaced if government guarantees proved necessary for the thrift unit, which lends money to home buyers.

FCA built up a 10m share stake, equivalent to 4.9 per cent, in American Express for about $290m, or an average of $29 a share, in open-market purchases in December and January.

It subsequently signed an agreement with American Express not to lift its stake further without agreement. It is thought that, aside from the 7m share trade conducted yesterday, FCA may have already sold in recent weeks most, if not all, of the remaining 3m American Express shares it owned.

American Express confirmed yesterday that FCA was the seller of the 7m share block and added that the purchasers were thought to include a broad group of institutional buyers.

The move will come as a relief to American Express, whose share price was been depressed, with that of FCA, after the disclosures about the thrift's problems.

The block trade made American Express by far the most active stock on Wall Street yesterday, with a total of 7.94m shares changing hands. It closed $⅛ higher at $31⅞. FCA was second most active, with 1.57m shares traded, and closed $⅞ higher at $5¾.

FCA, which has grown rapidly in recent years, was forced to restate its earnings by the Securities and Exchange Commission (SEC), which challenged some of its accounting procedures. As a result, FCA was also forced to revise its first-quarter earnings figures to show net income of $27.6m instead of the previously reported $44.2m.

Wall Street report, Page 23

U.S. spells out rules for foreign investors

BY WILLIAM HALL IN WASHINGTON

FOREIGN INVESTORS who were last week given the go-ahead to purchase U.S. corporate securities in bearer form will be exempt from the various reporting requirements and the tax penalties facing domestic U.S. investors, under draft regulations issued by the U.S. Internal Revenue Service.

The IRS regulations have been issued after the U.S. Government's recent decision to repeal the 30 per cent withholding tax in a move to encourage more foreign buying of U.S. securities. Last week the U.S. Treasury presented its plans for increasing the volume of foreign investment in U.S. government and corporate debt but left largely untouched the question of how much information foreign investors would be required to provide.

Although the U.S. has repealed its 30 per cent withholding tax, foreign investors have been worried that they might be liable to "back-up" withholding tax, a penalty imposed on domestic U.S. investors who do not fully identify themselves to the IRS.

Under the new regulations, foreign investors will be exempt from the information reporting "back-up" withholding requirements when they invest in U.S. corporate bearer bonds, provided certain conditions are met. The most important of those are: interest on the obliga-

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EUROPEAN NEWS

Sleipner gas liquids could be piped to Norway

BY FAY GJESTER IN OSLO

THE POSSIBILITY that natural gas liquids (NGLs) from the Norwegian Sleipner field might be piped to Norway instead of to Britain, puts at risk UK hopes of earning extra pipeline revenues as part of a revised Sleipner gas sales agreement.

An unppublished Norwegian industry study purports to show that the economics of an NGL line and terminal in Norway compare favourably with those of sending the NGLs to Flotta in the Orkneys.

This latest twist in the saga was revealed yesterday as politicians and oil company executives gather in Stavangar for the Offshore Northern Seas conference and exhibition. Among those attending are Mr Alick Buchanan-Smith, Britain's Energy Minister, Mr Kare Kristiansen, Norway's Oil Minister, and the heads of Statoil and the British Gas Corporation.

Earlier this year, the two state companies reached a draft agreement covering the sale of Sleipner gas to the UK at a reported total price of around £20bn.

The British Government refused to accept the deal, however, without some changes, and talks have been held recently at two levels: company-to-company, between Statoil and BGC, and government-to-government.

Britain is believed to have three goals: slower offtake of the gas; British companies to be guaranteed "full and fair" opportunity to tender for field development work; and the Sleipner NGLs to be routed through British sector pipelines to Flotta, in the Orkneys. Estimated recoverable reserves of NGLs, mostly propane and butane, in Sleipner are 50m tonnes worth NKr 75bn-Nkr 100bn (£6.9bn-£9.2bn).

The Sleipner licensees — Statoil, Esso and Norsk Hydro — have favoured piping the NGLs via Norway's Ekofisk fields to Teesside, where a terminal, half-owned by Statoil, has the necessary spare capacity to process them.

There has been strong opposition here to the Flotta alternative, which some Norwegians say would amount to making "a cash gift" to the British Treasury. The NGLs — which are petrochemical feedstock, not a fuel—have not even been sold to the British Gas Corporation, and form no part of the Sleipner sales deal. When processed, they will be sold on the world market by the Sleipner licensees.

● Statoil says that Norway's Statpipe gas-gathering system may cost only NKr 18.3bn (£1.67bn), some NKr 2bn less than expected.

The 841 km line, which was completed earlier this summer several weeks ahead of schedule, will take gas from the Statfjord and Gullfaks fields, via a Norwegian land terminal, to Emden in West Germany.

Citing Statoil success with the Statpipe and Gullfaks projects, a prominent Norwegian politician yesterday said that a date should now be set for the company to take over from Mobil as operator of the Anglo-Norwegian Statfjord field. Mr Reidar Due, chairman of Parliament's industry and energy committee, said Mobil had done a good job as operator on the field and should be given "new tasks" on Norway's shelf.

Irish inquire into press officer's jail statement

BY BRENDAN KEENAN IN DUBLIN

THE IRISH Government is investigating how its press secretary came to give false information about a hunger strike in the country's major prison.

Mr Peter Prendergast, the official, was still denying that there was any hunger strike at Dublin's Mountjoy prison almost 48 hours after it began.

*Behind the confusion lies a long-*simmering dispute between the country's prison officers and the Ministry of Justice over staffing and conditions in the jails. Neither side now seems willing even to believe what the other says.

Prison officers insist that the ministry was told about the hunger strike within hours of it starting on Friday. They are furious about government suggestions that they misled the ministry. Mr Prendergast read a *statement on radio denying* that there was a prison protest on the basis of information from the ministry and later had to retract it.

Five prisoners are still on hunger strike and some have been refusing water as well in a protest over conditions. It is the latest in a series of incidents in Mountjoy, including an attack on a student priest during mass last month.

It is commonly agreed that Mountjoy is grossly overcrowded and many prisoners have been given early release to relieve the pressure.

Difficult conditions have not been helped by disaffection among the staff. An inquiry now under way into the whole prison system will seek to establish why, despite a particularly high ratio of staff to prisoners, there have been almost continuous industrial relations *disputes for the past three years.*

Warning for freed Solidarity activist

By Leslie Colitt in Warsaw

A RECENTLY relased Solidarity activist, Mr Jan Rulewski, *has been warned* by the prosecutor in Bydgoszcz yesterday that a recent speech he gave in a local church was designed to "incite resistance and rebellion." He says he was *told not* to address church congregations again or to make statements which could cause disturbances.

Mr Rulewski, one of Solidarity's most militant officials, was freed this month under the government amnesty.

It appeared to be the first such warning by the authorities to one of the released opposition leaders although the prosecutor's office refused to say whether Mr Rulewski had been summoned.

Interviewed on the telephone, Mr Rulewski said that after he was given flowers and applauded by the congregation he read a poem about coalminers killed by the riot police after martial law was *imposed in December 1981.*

He also read a poem about the Polish underground during the Second World War which, he noted, "fits our time."

The most prominent of the *released political prisoners,* Mr Jacek Kuron, has meanwhile given his first public speech since he was freed on August 9.

Speaking to more than 1,000 people after Mass in Pokkowa Lesna near Warsaw, he called the growing division between "us and them" — the opposition and the Communist government — "particularly ominous". Many Poles too easily believed that if the "Communists are finished there will be general happiness."

If they continued to think this way, he said, "we can quickly end up just as they (the Communists) have."

● Poland has won a *breathing space* thanks to commercial bank debt rescheduling agreements, but its intenal economic problems mean its payments crisis will continue for many years and cannot be overcome without more Western help, according to Commerzbank of West Germany, eRuter reports from Frankfurt.

Limited access to new Western credits means Poland will have to depend heavily on barter business with the East bloc, it says.

It believes Poland's economic forecasts for this year, including a trade surplus with the West of $1.6bn, to be very optimistic.

● Poland's Roman Catholic primate, Cardinal Josef Glemp, has proposed a German-Polish church commission to establish the needs of the German-speaking Roman Catholic community in Poland, Reuter reports from Bonn.

Booming exports have raised the spectre of foreign restrictions, writes David Brown

Success brings problems for Swedish steel

AVERAGE STEEL CAPACITY AND OUTPUT (in tonnes '000s)

	1975	1976	1977	1978	1979	1080	1981	1982	1983	1984*
Ordinary—capacity	4,857	4,867	4,828	4,866	4,733	4,743	4,094	3,918	3,957	4,000
—output	3,797	3,497	2,674	2,879	3,136	2,744	2,416	2,670	3,037	3,300
Special —capacity	2,443	2,417	2,320	2,244	2,225	2,173	1,949	1,758	1,679	1,650†
—output	1,814	1,643	1,294	1,446	1,597	1,493	1,354	1,231	1,173	1,350
% of total continuously cast	25	28	31	36	39	49	59	76	80	80

* Estimates. † On a pre-restructuring basis.

Source: Jernkontoret (Swedish Ironmasters Association)

"IT might be wise for us to try *to slow down a bit,"* says Mr Henry Lundberg, managing director of Svenskt Staal (SSAB), Sweden's largest steel company.

Only two years ago his company was in the throes of sharp retrenchment and reorganisation. Now, the return to efficiency of Sweden's steelmakers is so successful that they are having to throttle back their export drive, in order to avoid provoking further protectionist reaction from European and U.S. producers.

Production and exports have been booming, helped by a decade of rationalisation, modernised production facilities, and the positive effects of Sweden's late-1982 devaluation.

In less than a decade, both capacity and manpower have been trimmed by almost a quarter—enough to satisfy the toughest taskmaster in Brussels if Sweden were a member of the EEC.

Following a series of plant closures, 80 per cent of the country's steel output is continuously cast, one of the highest levels in Europe and an illustration of the companies' new-found efficiency.

The shutdowns were speeded by a series of corporate mergers which took place while much of the European competition was dragging its feet.

The single largest move came in 1977. Faced with mounting losses, Sweden's three biggest *ordinary* steel producers came together as SSAB and began a far-reaching restructuring with the help of a total of SKr 5bn (£455m) in government financing the group is 75 per cent state-owned).

By the end of 1982, it had closed four of its six ore mining operations. It cut capacity at its metallurgy operations by a quarter to 3.1m tonnes and reduced employment by a fifth to some 14,000. Moreover, it set about an extensive technical upgrading of the remaining production facilities, including a large investment in a new thin sheet plant.

By 1982, the improvements in cost-effectiveness (measured in terms of higher productivity and yield, coupled with a sharp decline in energy consumption) had cut costs by some *SKr 1.1bn. The same year, the* group was able to increase volume of output by 8 per cent and prices by 16 per cent. Following losses between 1978 and 1982 of SKr 2.4bn, the group was for the first time in its history showing a profit, albeit a small SKr 23m.

Today, SSAB has annual profits of about SKr 300m, and Mr Lundberg predicts it will remain in the black into the 1990s despite the uncertain outlook for the industry as a whole.

Last year, SSAB raised its crude steel output 16 per cent to 2.6m tonnes (total Swedish production is 4.2m tonnes), and plans to keep roughly the same level into the forseeable future.

These goals require it to maintain a strong presence on the EEC and U.S. markets: fully 40 per cent of the group's SKr 10.4bn in turnover was generated abroad.

"We are not looking for ever-increasing numbers," says Mr Lundberg, "but we want to use our advantage now and keep a tight connection with our customers outside Sweden."

A similar rationalisation strategy has been pursued in other Swedish steel sectors. Already by the mid-1970s, Sweden's three tooling steel producers *had come together* as Uddeholm Tooling. Today, it is the world's third biggest company in the sector, after VEW of Austria and Thyssen of West Germany.

In 1982 the high-speed steel producers joined forces as Klosters Speedsteel, now a world leader with an annual output of some 15,000 tonnes and SKF remains one of the *largest* producers of ball and roller bearings.

In a last major consolidation move in January, the *stainless* steel industry closed ranks with plans to merge from four to two units and cut overlapping production. Concentration in this sector will, it is hoped, serve as a springboard for higher *exports.*

The proportion of Sweden's special steel output to total steel production (33 per cent or 1.3m tonnes) is double the EEC average, and this sector generates fully three-quarters of the country's total steel exports in terms of value.

The stainless steel plan will cost some SKr 1bn, of which the Government has agreed to cover roughly half with special financing. The Johnson Group, Sweden's largest private company, is expected to take as much as 40 per cent of the European market in products like welded stainless tubing, and up to 35 per cent in strip and hot-rolled plate.

Sandvik, which is also the dominant supplier of cemented carbides, will export nearly SKr 3bn-worth of mainly seamless tubes specialty strip and wire.

If Sweden has developed a more competitive steel industry, it has also brought on itself a series of trade and political headaches. Steelmen are having *to balance their instinct to press* an advantage against the sensitivity of their largest markets to imports of some products.

The special steel sector has been hit by President Ronald Reagan's import quotas announced late last year. The Swedes negotiated a separate agreement under which shipments of alloy tooling steel, bar and rod are expected *to drop some 23 per cent from* the current annual value of SKr500m.

Earlier this month Swedish trade officials and their U.S. counterparts were again huddled in consultations on the *threat of new import* restrictions.

Meanwhile, having already forced a tightening of Sweden's agreement with the EEC last January, West German steelmakers are *now* asking Bonn to lodge a complaint against what they see as Sweden's unbridled aggression in parts of their domestic market. Swedish industry leaders *fear* this will mean consultations between *Stockholm and Brussels as* early as this autumn.

Exports of ordinary and special steel to West Germany climbed 27 per cent last year to 447,000 tonnes, although this growth rate has slowed, and been partly counterbalanced by West German advances on an improving Swedish market concern remains in some product areas.

The West Germans are unhappy about the amount of steel being marketed at lower prices as flawed "second choice." They are also sensitive to continued high levels of profile products (beams and merchant bars, for example) coming into the market.

Swedish government and industry officials met recently in Duesseldorf to discuss the threat of a West German complaint. As one Trade Ministry official said afterwards: "We hope eventually the situation in the EEC will stabilise. In the *meantime, it is necessary to* accept that we all have a long-term interest in restraint."

Soviets go ahead with plan for massive artificial river

THE SOVIETS are going ahead with a plan to divert water from their giant north-flowing rivers to irrigate parched southern lands with an artificial river 30 times as big as the River Thames and seven times as long.

The plan was put forward in the 1930s but has been criticised by scientists, inside and outside the Soviet Union, because of the uncertain effects on world climate of diverting so much water from the Arctic. Recently the Russians said they were going ahead with smaller versions, using water from the more western rivers.

Now, according to Soviet Weekly, work has started on the major project which should be completed by the middle of the 1990s.

In what is likely to be one of the biggest engineering feats ever attempted, water will be taken from the Ob, the world's ninth longest river. A canal more than 200m wide will carry 6,000,000 million gallons of water a year 1,500 miles to central Asia. The Thames is 210 miles long.

This is described as the "first stage" of the operation. A committee of 150 scientists is said to have been "unanimous" that four times as much water could be taken from the Ob, up to 6 per cent of its total flow, without any drastic change in the climate.

The report admits, though, that if the strain on the Ob proves too great there are plans to take water from another giant river P.A.

Greek steel group's $77m fine postponed

BY ANDRIANA IERODIACONOU IN ATHENS

HALYVOURGIKI, the Greek steel company which faces a Dr 8.905bn ($77m) Commerce Ministry fine for the alleged illegal export of foreign exchange, has been allowed to postpone payment until November by the Council of State, which is considering an appeal on the case. The council is empowered by the Greek constitution to overrule Government decisions.

Halyvourgiki, which ranks among Greece's top 20 industrial enterprises with total assets of Dr 10.776bn, says an Athens court cleared the company of foreign exchange fraud charges in June 1982. When the fine was announced last May the case caused an uproar in Greece's business community.

A special Council of State committee said payment of the fine would cause the company "severe financial shock."

Basque 'flag war' flares in Bilbao

By David White in Madrid

THE "FLAG WAR" which broke out last summer in the Spanish Basque region has flared again at the start of Bilbao's annual festival week, bringing scenes of street violence to the city yesterday.

The resurgence of the dispute over the flying of flags on public buildings which encapsulates the problem of conflicting allegiances in Spain's basque provinces, was provoked by a seemingly clumsy bit of rule-book enforcement by the central authorities. This prevented Bilbao town hall from getting around the issue by flying no flags at all.

Several people were injured in clashes with police who had forcibly installed the three regulation flags — the Spanish, the Basque, and the town—in the town hall gardens.

The incident caused a bitter confrontation between the *provincial* civil governor, Sr Inaki Lopez, and the Mayor, Sr Jose Luis Robles, a member of the region's powerful political establishment, the Basque Nationalist Party (PNV). More extreme nationalist parties have rallied behind the mayor

The apparently petty quarrel, which follows incidents last year involving separatists determined to see the Basque red, green and white flag fluttering and not the Spanish red and yellow one, underlines the *tension built* up in recent weeks between the PNV and the Government in Madrid.

The PNV has incurred fierce criticism by opposing government attempts to secure the *extradition from France of* alleged members of Eta, the Basque separatist organisation.

An estimated 2,000-3,000 people demonstrated against the extraditions in the separatist stronghold of San Sebastian on Sunday.

'Hitler diaries' trial opens today

BY JONATHAN CARR IN BONN

THREE PEOPLE go on trial in Hamburg today charged in connection with the so-called "Hitler diaries" affair—which caused shock waves last year in the West German publishing world and beyond.

The two chief defendents, both accused of fraud, are Herr Gerd Heidemann, former top reporter of Stern weekly magazine, and Herr Konrad Kujau, a Stuttgart collector of Nazi memorabilia.

Herr Heidemann is charged *with causing Stern to* pay more than DM 4.3m (£2.4m) between January 1981 and April last year for Hitler diaries which turned out to be forged. The prosecution says Herr Heidemann must have had reason to believe the diaries were not genuine in *the summer of 1981 at the latest.*

Herr Kujau is charged with forging all 60 volumes of the alleged diaries—a fact he has already admitted to press representatives from his prison cell.

Both men are also charged *with keeping large sums of the* money from Stern for themselves. However, around DM 5m still remains unaccounted for, despite intensive investigations by the authorities.

Also on trial is Frau Edith *Lieblang. Herr Kujau's* companion, who is charged with accepting money although knowing the sums were obtained under false pretences.

The trial is expected to last several month at least. More than 4,000 pages of documentary evidence have been gathered together

The affair began in April last year when Stern announced at an international news conference that it had acquired the Hitler diaries in what it called "*the journalistic coup of the* century."

Within a few weeks West German official archivists proved the documents to be forged. The revelation brought shocked embarrassment at Stern *and its publisher, Gruener und* Jahr, and unconcealed glee at rival magazines.

The Sunday Times of London, which had also been due to publish the diaries, at once called off the idea.

Greece pulls out of exercise with U.S. troops

By Andriana Ierodiaconou In in Athens

THE Greek Government said yesterday that its troops will not take part in a military exercise wtih U.S. forces next month in Northern Greece, after being accused by the pro-Moscow Communist opposition of departing from its policy of peaceful relations with the Soviet bloc.

A front-page report in Monday's edition of the Communist Party newspaper, Rizospastis, accused the Government of abandoning "its policy of peace" by joining U.S. troops in countering a hypothetical invasion from the Communist countries to the north.

Storm in a beer barrel rocks Narjes' job hopes

BY OUR BONN STAFF

HERR KARL-HEINZ NARJES, the West German Christian Democrat fighting to stay on as a European commissioner in Brussels, has carried his battle *into the enemy camp.*

In a newspaper interview, he denied that he had done too little to defend the time-honoured purity of German beer against Brussels bureaucrats.

He said he had warned brewers for years that they would have to prepare for the day when the country — under EEC regulations — opened itself more to foreign beer imports. He had also suggested that brewers introduce a special "pure quality" seal for their beer. But the different brewing associations had been unable to agree.

At issue is a 1952 law stating that beer drunk in the world's largest per capita market may contain only water, hops, malt and yeast. The effect is to block most non-German imports.

The EEC Commission has long been demanding that Bonn remove this "non tariff *barrier" and the unfortunate* Herr Narjes, for three years commissioner responsible for the EEC *internal* market, has thus come most into the West German firing line.

He has been under particular attack from Herr Franz Josef Strauss's Christian Social Union (CSU) — the ruling party in Bavaria.

Herr Strauss has made clear that if Herr Narjes steps down, the CSU has an excellent replacement.

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Iran officials face bribery charges

BY KATHY EVANS IN ABU DHABI

SEVERAL SENIOR Iranian Government officials have been arrested according to authoritative reports, for allegedly taking bribes.

The official newspaper of Iran's Islamic Republican Party, Jomhour Islami, reported yesterday that Mr Bahzad Nabavi, the Minister of Heavy Industry, has ordered the arrest of six senior managers and experts in his department, to face charges of taking bribes worth Iranian Rials 30m (£250,000) from 14 Iranian companies.

This represents the first publicised case of its kind since he establishment of Ayatollah Government in Tehran.

Ironically, it was Mr Nabavi himself who was facing a tide of criticism only a week ago. He was charged by members of Iran's parliament of conducting commercial relations with Eastern bloc "atheist countries," and not being sufficiently Islamic in his past behaviour.

Mr Nabavi managed to survive the accusations and secured a voteof confidence for himself last week in the Majlis (parliament).

The posts of the five ministers who did not get parliamentary approval in the vote of confidence are now being rapidly fillede. Parliament passed the nominations of three new Ministers for the Ministries of Culture, Industry and Health.

The key post of Defence Minister still remains vacant, however, though most observers expect this to be filled within the next week.

The Government appears anxious to put the whole episode behind it. The pilgrimage season is coming up shortly and a number of parliamentary Mullahs are expected to travel to Saudi Arabia.

But the nervousness which surrounded the Ministers' approval is being pinpointed by some oil company officials in Tehran as the reason why Iran has not exported any oil for cash in the last two weeks.

The country's oil minister, Mr Mohammed Gharazi, was also facing charges of mismanagement. Even though he had received a clean bill of health from the Majlis, some observers are questioning whether this necessarily translates into an endorsement of his Ministry's policies.

Oil traders say that Iran needs to make further, deeper cuts in the price it is offering its oil buyers. Oil exports are now said to have slipped to below 1m barrels a day, with shipments destined mainly for Syria and Turkey.

At present, the discount is between 60 to 70 cents, though market indications say this should be widened to at least $1.50.

Reports from Tehran said that Japanese traders had on three occasions this month cancelled plans to lift Iranian oil.

Ayatollah Ruhollah Khomeini

Sacked Indian Minister fails in protest bid

BY K. K. SHARMA IN NEW DELHI

THE AILING dismissed Chief Minister of Andhra Pradesh, Mr N. T. Rama Rao, flew into New Delhi yesterday but was unable to parade supporters of his Telegu Desam Party before the Indian President, Mr Zail Singh, as planned.

His supporters came in a train from Hyderabad that reached the Indian capital more than 12 hours late because of a bomb scare.

This prevented them from keeping an appointment with the President when Mr Rama Rao had planned to demonstrate that he had majority support in the Andhra Legislative Assembly.

Mr Rama Rao himself also arrived late in New Delhi because his aircraft was held up six hours at Hyderabad, also because of a bomb scare.

The coincidence was commented on by a number of opposition leaders who met in New Delhi to declare their support to Mr Rama Rao in his bid to reinstate himself.

Mr Rama Rao, who was dismissed as Chief Minister two days after his return last week from the U.S., where he underwent heart surgery, is seriously ill. He was taken on a stretcher from the aircraft to an ambulance which took him directly to a hospital where he has been advised complete rest.

The meeting with the President is now scheduled for today but it remains to be seen whether Mr Rama Rao will be well enough to attend it.

However, the 174 members of the 296-member Andhra Legislature who arrived by train are determined to demonstrate to the President that Mr Rama Rao still has a majority and was illegally dismissed.

Almost the entire opposition yesterday decided to launch a countrywide agitation against the "brazenly illegal act" of the Andhra Pradesh Governor "in collusion with the central government" in dismissing Mr Rama Rao.

A resolution adopted by the opposition leaders said this showed there was an attempt to "superimpose a nakedly authoritarian and dynastic system."

The opposition has decided to organise a nationwide protest and general strike later this month. All parties are expected to criticise Mrs Indira Gandhi, the Prime Minister, when both Houses of Parliament debate the events in Andhra Pradesh today.

U.S. takes tough line on aid to developing countries

VIENNA—The U.S. has used a major North-South conference to publicise its tough line on aid to developing countries, making clear it expects political conformity and accountability in return for contributions.

The conference of the United Nations Organisation for Industrial Development (Unido) closed a day late yesterday, with rich and poor nations unable to agree on a document reviewing the world economic situation.

The U.S. delegation was the only one to vote against the draft, although 12 other industrialised countries abstained. Seventy-nine states from the Third World, backed by the Soviet bloc and joined by most West Europeans, voted in favour.

Mr Richard Williamson, U.S. Ambassador, said the text encouraged "the continued pursuit of unproductive illusions."

It was biased and inaccurate, touched topics such as disarmament and trade which were not within Unido's mandate and failed to take into account the influence of different economic and financial systems, he claimed.

The conference here was bogged down in political wrangling, overshadowing discussion of real industrial development issues such as transfer of technology, better use of energy resources and how to reform technical education in Third World states.

Death toll from Afghan border raids reaches 51

BY MOHAMMAD AFTAB IN ISLAMABAD

A TOTAL of 51 people have been killed by recent Afghan airforce and artillery attacks on Pakistan territory, a Pakistan Foreign Ministry official said yesterday.

The latest raid on Sunday killed 16 people in the village of Teri Mangal, about 180 miles southwest of Islamabad. About six other people were injured.

The village and surrounding countryside had suffered four previous attacks between August 13 and August 18 killing a total of 35 people, the Foreign Ministry said.

These are the most serious Afghan raids on Pakistani intervened in Afghanistan in December 1979. Pakistani troops have yet to respond.

State-owned Radio Kabul has denied, however, that any raids or incidents have taken place.

The talks to solve the Afghan problem will be conducted at the Foreign Minister's level, under United Nations supervision. The previous round of talks in June 1983 ended in deadlock.

President Zia ul-Haq has reacted strongly to the Afghan attacks: "Pakistan cannot be pressurised into a compromise on its principled stand on the Afghanistan issue by a show of force on the borders," he said.

Tax cuts in Australian budget today

By Colin Chapman in Sydney

AUSTRALIA'S Treasurer, Mr Paul Keating, will announce tax cuts of about A$400 (£250) for each breadwinner in his budget today.

For the first time in the nation's history, the first half-hour of the Treasurer's budget speech will be broadcast live on television. It is also the first time the proceedings of the House of Representatives has been televised.

That apart, Mr Keating's second budget is expected to be unspectacular, with the Federal budget deficit cut to just below A$7bn, income tax thresholds raised, higher pensions and unemployment benefits, and possible increases in some duties, with wine the favoured candidate. At present there is no duty on wine.

For business, Mr Keating is expected to extend for another year the 18 per cent investment allowance, due to expire next June.

The allowance applies to a wide range of new plant and equipment, including leased equipment.

But Government Ministers have openly canvassed a cutback in export incentive payments, and Mr Keating is widely expected to end—or foreshadow the end—of the export promotions scheme.

Iranian royal jewels turn up in Pakistan

By Mohamed Aftab

JEWELS which once adorned Iranian royalty, including the late Shah Reza Shah Pehlavi and Empress Farah, have been stolen and brought to Pakistan.

Four Afghan nationals who brought the jewels, diamond jewellery, and antiques, have been arrested by Pakistani police, in Quetta, Baluchistan, 450 miles south-west of Islamabad.

The treasures include a jewel-studded antique belt more than 100 years old, which was worn by the late Shah at his coronation and other state functions.

The Iranian Foreign Ministry is in touch with Pakistani authorities, and has asked for details of the items seized.

A magistrate in Quetta has remanded the four Afghan nationals into police custody for a week.

Thousands will protest today at Marcos' rule

Aquino murder remembered

BY CHRIS SHERWELL AND EMILIA TAGAZA IN MANILA

HUNDREDS OF thousands of Filipinos are expected to turn out today in the heart of Manila to commemorate the brutal airport assassination of Mr Benigno Aquino the opposition leader exactly one year ago.

"It is both a day of protest at President Ferdinand Marcos's rule, and a demonstration in memory of a martyr, said Mr Agapito "Butz" Aquino, the slain politician's brother, who has organised today's public rally and church mass.

The capital was alive with anticipation yesterday but calm —"like the day before Christmas," acknowledged one political figure. Schools and some offices can choose to take a holiday but the police will be on alert.

The demonstration is the most important political event since last May's parliamentary election, which saw substantial gains for the opposition. It coincides with a continuing deterioration in the economy, a product of the country's $25.6bn debt (£19.6bn) crisis, and acute foreign exchange shortage.

No relief is in sight. Agreement with the International Monetary Fund (IMF) on a programme, which would trigger a $4bn rescue package now seems as remote as ever after almost a year of tough negotiations.

Despite measures already taken, including three huge devaluations of the peso, the Government has seen its foreign exchange reserves slip back a third to $660m, the annual inflation rate soar by 50 per cent, the collapse of 30 financial institutions, and a growing number of strikes by factory and office workers.

Fears are intensifying that this economic discontent will be exploited by the underground Communist Party as well as the legitimate political opposition.

Government leaders, including President Marcos, have recently expressed concern over the influence of the Communists who are master-minding the only increasing insurgency in South-East Asia.

So far, the powerful army which supports Mr Marcos has not been asked to extend its anti-guerrilla operations to the city streets. This could change if a serious outbreak of violence occurs today.

The Roman Catholic Church which enjoys wide influence in the country has long urged peaceful protests, but remains a persistent critic of the Government. Cardinal Jaime Sin, Archbishop of Manila, will officiate at today's mass.

'Today's demonstration is the most important political event in the Philippines since last May's parliamentary election which saw substantial gains for the opposition'

Rallies are scheduled for major cities all over the country, and there is a plan to erect a $25,000 300-kilogram bronze life-size statute of Mr Aquino in Manila. For those who gather today, the question "who shot Aquino?" will again be paramount.

A Commission of inquiry set up last November has yet to report its findings. It is unlikely to provide an answer.

The charismatic former Senator, who was Mr Marcos's political arch-rival, was slain moments after returning from three years' self-imposed exile in the U.S. He had hoped to unite the country's splintered opposition parties but had been warned not to return.

The Government version of the incident—that a Communist sympathiser acting alone killed Mr Aquino, and was then shot by security men — is now treated with more suspicion than ever. But the Commission has found no hard evidence to prove that the men accompanying Mr Aquino were responsible.

The key question now is whether today's rally might begin to realise Mr Aquino's hopes and mark the long-awaited birth of opposition unity. All groups will be participating, in acknowledgement that only moments like this provide an opportunity to capitalise on anti-Marcos sentiments.

The outlook is not promising. A year ago, hopes were high that the outburst of popular anger over Mr Aquino's death heralded an end to 19 years of rule by President Marcos. But the opposition parties, poorly organised and poorly financed, could not cope with the guile of the experienced president and failed to close ranks.

At times in the past year, Mr Marcos has seemed besieged, unwell and not even in full control of his party. He has made concessions over electoral reform and political concessions and been forced to defend both his controversial wife, Imelda, who remains Governor of Metro-Manila—and Minister of Human Settlements—and his business associates.

Despite all this, the opposition fell apart over whether to contest last May's elections. Their unexpected success in those polls has in practice simply underlined their differing viewpoints.

But "butz" Aquino, like other opposition politicians, does not despair.

"There is a change in the people—they are now more aware of the problem. The protests must continue."

BASE LENDING RATES

Bank	Rate
A.B.N. Bank	10½%
Allied Irish Bank	10½%
Amro Bank	10½%
Henry Ansbacher	10½%
Associates Cap. Corp.	12 %
Banco de Bilbao	10½%
Bank Hapoalim	10½%
BCCI	10½%
Bank of Ireland	11 %
Bank of Cyprus	10½%
Bank of India	11 %
Bank of Scotland	10½%
Banque Belge Ltd.	10½%
Barclays Bank	11 %
Beneficial Trust Ltd.	11½%
Brit. Bank of Mid. East	11 %
■ Brown Shipley	10½%
CL Bank Nederland	10½%
Canada Permn't Trust	10½%
Cayzer Ltd.	10½%
Cedar Holdings	12 %
■ Charterhouse Japhet	10½%
Choulartons	12½%
Citibank NA	10½%
Citibank Savings	¶12 %
Clydesdale Bank	11 %
C. E. Coates & Co. Ltd.	11½%
Comm. Bk. N. East	10½%
Consolidated Credits	12 %
Co-operative Bank	*10½%
The Cyprus Popular Bk.	10½%
Dunbar & Co. Ltd.	10½%
Duncan Lawrie	10½%
E. T. Trust	11½%
Exeter Trust Ltd.	11 %
First Nat. Fin. Corp.	14½%
First Nat. Secs. Ltd.	13 %
■ Robert Fleming & Co.	10½%
Robert Fraser	11 %
Grindlays Bank	‡10½%
■ Guinness Mahon	10½%
■ Hambros Bank	10½%
Heritable & Gen. Trust	10½%
■ Hill Samuel	§10½%
C. Hoare & Co.	†10½%
Hongkong & Shanghai	10½%
Kingsnorth Trust Ltd.	10 %
Knowsley & Co. Ltd.	11 %
Lloyds Bank	10½%
Mallinhall Limited	10½%
Edward Manson & Co.	12 %
Meghraj and Sons Ltd.	10½%
Midland Bank	10½%
■ Morgan Grenfell	10½%
National Bk. of Kuwait	10½%
National Girobank	10½%
National Westminster	10½%
Norwich Gen. Tst.	10½%
People's Tst. & Sv. Ltd.	12 %
R. Raphael & Sons	10½%
P. S. Refson & Co.	10½%
Roxburghe Guarantee	11½%
Royal Trust Co. Canada	10½%
■ J Henry Schroder Wagg	10½%
Standard Chartered	‖10½%
Trade Dev. Bank	10½%
TCB	10½%
Trustee Savings Bank	10½%
United Bank of Kuwait	10½%
United Mizrahi Bank	10½%
Volkskas Limited	10½%
Westpac Banking Corp.	10½%
Whiteaway Laidlaw	11 %
Williams & Glyn's	10½%
Wintrust Secs. Ltd.	10½%
Yorkshire Bank	10½%

■ Members of the Accepting Houses Committee.

* 7-day deposits 7.25%. 1-month 8.00%. Fixed rate 12 months £2,500 9.75% £10,000. 12 months 10.00%.

† 7 day deposits on sums of under £10,000 7¼%. £10,000 up to £50,000 8%. £50,000 and over 8¼%.

‡ Call deposits £1,000 and over 7¼%.

‖ 21-day deposits over £1,000 8½%.

§ Demand deposits 7¼%.

¶ Mortgage base rate.

CHRISTIAN AND DRUZE MILITIA CLASH

Syrian envoy meets Gemayel

BY OUR FOREIGN STAFF

A SENIOR Syrian envoy held talks with President Amin Gemayel of Lebanon at the mountain resort of Bikfaya following a heavy clash between Christian and Druze militia, the most serious breach so far of the ceasefire which came into force six weeks ago.

The presidential palace in the Beirut suburb of Baabda was hit in the fighting during the night between the rival forces in the mountains east of the capital and "sustained considerable damage," according to a police spokesman.

Mr Gemayel and his family were not in the building when it was struck during seven hours of exchanges involving artillery, multiple rocket launchers and tanks cannons. No casualties were reported.

Gen Mohammed Kholi, Syria's military intelligence chief, left for Bikfaya after Mr Michael Samaha, President Gemayel's political adviser, held consultations with Vice-President Abdul Kalim Khaddam in Damascus.

At the same time, Gen Michel Aoun, the Lebanese Army Commander, called for a meeting of representatives of the three leading militias—the Lebanese Forces (Christian), the Progressive Socialist Party (Druze), and Amal (Shi'ite Moslem).

The meeting is to discuss the draft of a plan for deploying an integrated Christian-Druze force to man the front lines in the central mountain area and to set up disengagement zones.

Sri Lanka's cockpit of violence

BY JOHN ELLIOTT IN VALVETTITURAI NEAR JAFFNA

MORE THAN 300 women fasted under a banyan tree by a Hindu temple in this small north Sri Lankan coastal town called Valvettiturai yesterday to protest against the round-up of 500 of their sons and husbands by government troops for removal to the south of the island.

The town stretches along a golden beach near the city of Jaffna. Filled with palm trees and small houses it has traditionally been a smuggling point near India for saris, cinnamon and drugs.

Now it has become the cockpit of violence between extremists known at Tamil Tigers and the navy and army security forces. Two terrorist leaders were born here.

The coastline is scarred with blackened and burned-out huoses and damaged fishing boats.

Fishermen's buildings and a school have been damaged by shells allegedly fired by the navy. Tow navy patrol boats were yesterday a mile off the beach, part of the country's under-equipped security operation aimed at stopping arms and trained extremists crossing the strait separating Sri Lanka from India.

Brig. N. Seneviraine, the Jaffna combined security forces chief who also heads the civilian administration, says the shelling is either practice rounds, or aimed at suspected terrorists.

But local residents say that shelling usually takes place at night and is often directed, for a short period around 9 pm, at the shore.

Sri Lanka's Tamil minority has always lived uneasily alongside the majority Sinhalese, and tensions have escalated in the past year since a major outbreak of violence in July 1983.

The region around Jaffna is the Tamil's stronghold. Calls for regional autonomy have given way to terrorism, making clashes between troops and terorrists a regular part of daily life.

But theviolence of the past three weeks has shocked people and has helped to increase local support among professional classes for independence. Terrorist posters are plastered all over the walls in Valvettiturai and in nearby Jaffna.

"The extremists are right," said Dr R. Vyrramotto, a doctor employed by the Government. His sons aged 18 to 24 have been taken away in the round-up.

"They are not terrorists from our point of view; they are freedom fighters and even when they raid banks they are doing it to paralyse the administration. Then that's OK," said Mr Kumaraswamy, secretary of the town's citizens' committee.

The major clases started on August 4 when extremists gunned down two naval ratings who are said to have been assaulting and harrassing women and men in the local fish market. That afternoon some youths were arrested and another 500 were taken into custody for questioning when they answered a call for an identity check broadcast over loud-speakers.

Despite the town's traditions as a centre for smuggling and extremism, the fasting women at the temple insist the men were not involved.

"How could they be extremists if they went to an identity check voluntarily" asked several women.

It seems the troops wanted to give the impression that they had rounded up extremists. Mr Vamal Samphaathan, a 23-year-old electronics student released to allow him to go to the UK for further studies, said the guards announced "The Tamil Tigers have been rounded up—they are here" to roadside cheering crowds as the buses carrying the youths were taken south through the island to a prison in Gall, south of Colombo.

The day after th naval ratings were shot and the local men rounded up the villagers say the navy started shelling the coastline. The bombardment seemed to concentrate on one or two areas known to have housed terrorists in the past.

The Government and the local security chief denies the coast was shelled.

The security commander admits there have been "some excesses." Mr S. P. Rajah, the local citizens' committee deputy secretary, says he watched three truckloads of troops going at midnight into three shops and setting fire to them.

The committee says 230 houses were set on fire.

Also burned were 30 shops and 60 fishing boats were cast adrift or holed. The town library stock of books were burned and destroyed. The local food ration store was also badly damaged.

The total damage so far is estimated at Sri Lankan rupees 22.5m (about £750,000).

Surprisingly only two civilians are believed to have been killed in these events. But the government is worried about implications of its Sinhalese dominated troops running amok in the Tamil areas.

AMERICAN NEWS

Growth rate of U.S. economy up 7.6%

By William Hall in Washington

THE U.S. ECONOMY grew by 7.6 per cent in the second quarter of 1984, marginally faster than earlier estimates, according to revised second quarter U.S. gross national product (GNP) figures released yesterday.

The latest U.S. Commerce Department data, released the eve of the regular meeting of the Federal Open Markte Committee which sets U.S. monetary policy, have been eagerly awaited by the U.S. financial markets because of continuing concern about the pace of the U.S. economic recovery .

The 0.1 percentage point upwards revision of the real GNP figures was much in line with the market's expectations and will strengthen the belief that the growth of the U.S. economy is flowing of its own accord and will not prompt any further tightening in U.S. monetary policy.

The 7.6 per cent growth in real GNP in the latest three months compares with a 10.1 per cent rise in the first quarter. While the figures point to a more moderate pace of economic expansion, the quarterly growth rate is still noticeably higher than in the third and fourth quarters of 1983, when the U.S. economy grew in real terms by 6.8 per cent and 5.9 per cent respectively.

The U.S. Commerce Department also released preliminary figures of U.S. corporate profits yesterday which indicated a sharp slow-down in the rate of after-tax profits growth. The Commerce Department estimated a 1.5 per cent rise in after-tax profits in the latest quarter, from a seasonally adjusted $150.6bn in the first quarter to $152.9bn in the second quarter. This compares with a 6.7 per cent rise in the first quarter.

The growth in GNP in the second quarter reflects a large increase in final sales and a decrease in business inventory investment. Real final sales increased 11 per cent or $41.8bn in the second quarter, compared with a 3.6 per cent or $13.9bn in the first quarter. Personal consumer spending rose $19bn or 7.5 per cent and business fixed investment rose $10.2bn or 22.9 per cent.

Reginald Dale reports from Dallas, home of J. R. Ewing and the Republican convention

Big D goes all out for sophisticated image

DON'T CALL it "Cowtown", say the Dallas locals. That's Fort Worth next door (to be pronounced "Fote Wuth" according to the Texanese dictionaries for "Yankies and other uneducated people" that they sell here for $1.35 — or actually give you if you look particularly "uneducated"). This is "Big D".

Texans from Fort Worth say you can draw a vertical line right down the map between Dallas and its rival twin city and that line defines where the West begins.

The key point is that to the west of the line they eat cowbody style "hash brown" potatoes for breakfast. That, it is alleged, makes Fort Worth a western town and Dallas a southern one. For reasons that would not go down terribly well in, say, Virginia, all the competing cities in Texas try to brand their rivals as "southern".

As host to the Republican convention this week, Dallas is undertaking what must be its biggest public relations campaign so far. It has become a cliché that the town is meant to be trying to shed what it believes is its image as an assassination centre. The city is so self-conscious that it has probably perpetuated the image itself by worrying about it so much.

A large symbolic milestone came last year, when J. R. Ewing's Southfork ranch, of television serial fame, overtook the Kennedy assassination site as the city's leading tourist attraction. Despite the city's heavily staged cosmopolitanism, ranches are still important here. To be at the real top of the Dallas social pecking order you should have had cattle money before oil.

But Dallas does not want to be known from the television programme either. It is, as you are quickly told on arrival, the seventh biggest city in the U.S.

It is remarkable, says one official handbook, for: "Fast drivers, low use of turn signals and high use of brake linings." Nobody takes the federally imposed 55 mph speed limit too seriously in Texas. hWat the city wants most is to be accepted as sophisticated and international.

It is hot. The Republicans arrive here to a record 108 degree heatwave at the weekend which, if nothing else, looks like discouraging street demonstrations and keeping the delegates pinned down in air conditioning that is something like 50 degrees cooler than the weather.

With Ronald Reagan's renomination a foregone conclusion, the biggest news stories have so far been about the parties and receptions. There were no fewer than 75 different parties on Sunday, often featuring live elephants (the Republican symbol) hired from the local zoo at $1,200 an hour. The elephants come complete with handlers, who mop up behind them.

With no sign of any large scale rebellion on the convention's floor, the biggest controversy is over an 18-minute film that the Republicans will show to introduce Mr Reagan on Thursday night. The film has been three years in the making, at vast expense, and captures the President on location abroad, from the Great Wall of China to the Normandy beaches.

The question is whether the networks will show it on prime time television. A ferocious argument is raging over whether it is news, as the Republicans claim, or the equivalent of a political commercial, as the networks suspect.

The Democrats are angrily pointing out that television failed to show a similar film about their contender, Mr Walter Mondale, at the party's San Francisco convention last month. If the Reagan film is shown, they say, they might even sue for equal time.

The White House openly admits that the main impact of this highly disciplined convention is meant to be visual. The backdrop for Mr Reagan will be a beige podium lined with a soft leather material called "ultra suede." Otherwise, the colours are the inevitable red, white and blue.

There are mountains of red, white and blue jelly beans (Mr Reagan's favourite sweet) and one hotel has even dyed a sad-looking collection of caged pigeons in the national colours.

The hottest line in campaign buttons is a small, battery-powered Reagan-Bush number, that plays the Star Spangled Banner while flashing syncopated red lights.

Jelly bean portrait for Ronald Reagan

The cost a modest $6. For $1,000 you can buy the convention's official white Stetson hat—one of which, size 7¾, was sent to Mr Reagan at the weekend. But that, too, is controversial. The Texas delegation was reported to have scheduled a special meeting yesterday morning to decide whether or not wear cowboy hats in the convention hall.

This, like the L.A. Olympics, is a wholly commercially funded event. The free-enterprise Republicans are proud that the Dallas taxpayer is not picking up any of the tab—unlike the San Franciscans, who had to find several million dollars' worth of the Democrat's extravaganza, they point out.

Here, as the local dictionary explains it, there are plenty of "bars" (buyers) who are not yet too "tard" (tired) on their "fate" (feet) by the "tempachure" to take a "kayab" (taxi) for a "riot" (right) turn to the convention "rejterashun" (registration). Please, it implores the Yankee visistors, dont try to say "you-all" (plural of you) as two syllables —it's "yawl."

Mexico to invest $1.7bn in mining

By David Gardner in Mexico City

MEXICA is to spend $1.7bn this year and next developing its mineral resources as part of a five-year plan aimed at boosting mining's contribution to national output from 1.3 per cent of gross domestic product (GDP) to 6 per cent by the end of 1988.

Mexico is hte world's larges producer of silver, as well as non-metallic minerals like fluorite. The aim of the programme is to generate an exportable surplus in non-ferrous minerals like graphite and barite.

An import substitution programme aims to develop tungsten and gold resources, for exmaple, to a level of self-sufficiency. Mexico has recently discovered some extremely good deposits, notably the El Barqueno mine in the central western state of Jalisco.

The country's surplus on its mineral trade was $843m last year, up from $602m in 1982.

Under the new plan, the public sector is to spend peso 147bn ($770m) this year and pesos 175bn next, at least a quarter of it in capital investment. State mining, which is concentrated in strategic minerals whereas the private sector is involved largely in precious industrial metals, has turned round its finances in the last two years.

From 1982 losses of pesos 640m, he state companies made profits of pesos 6bn last year and pesos 3.9bn in the first quarter of this year. Approximately half their pesos 16bn output this year is for export.

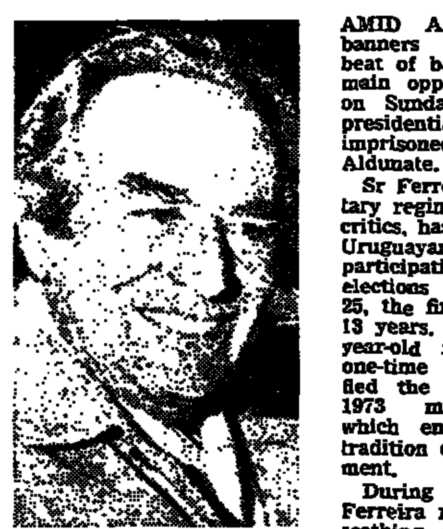
Diablo Canyon plant appeal

WASHINGTON—Pacifice Gas & Electric said it has appealed against a Federal Appeals Court injunction which temporarily blocks the full-power testing of its Diablo Canyon nuclear power plant.

The court's 2-1 decision on Friday prevents the Californian nuclear plant from entering fullscale operations at least until November, when the court plans to hear arguments on whether the plant poses undue safety risks. Until then the plant will continue testing at 1 per cent to 5 per cent of its power.

Uruguay's opposition reconfirms Ferreira as candidate

BY MARTIN ANDERSEN IN MONTEVIDEO



Imprisoned Uruguayan presidential candidate Wilson Ferreira Aldunate

AMID A SEA of swirling banners and the clamorous beat of bass drums, Uruguay's main opposition Blanco Party on Sunday reaffirmed as its presidential candidate the imprisoned Wilson Ferreira Aldunate.

Sr Ferreira, one of the military regime's most unrelenting critics, has been banned by the Uruguayan Government from participating in the presidential elections slated for November 25, the first such elections for 13 years. The charismatic 65-year-old former senator and one-time agricultural minister fled the country following a 1973 military-backed coup which ended Uruguay's long tradition of democratic government.

During his years in exile Sr Ferreira released a barrage of scathing criticism against the leaders of what, until recently, was South America's most thorough-going police state. He kept in touch with supporters in Montevideo by means of cassette tapes smuggled into the country.

When he returned to Montevideo on June 16th, Sr Ferreira was met both by a mass welcome by supporters and by an order for his arrest.

Analysts here say Sr Ferreira's continuing legal and partisan limbo has become the country's top political issue and may wreck Uruguay's troubled experiment in a military-guided return to civilian rule.

Last week, Sr Ferreira, in a letter from his jail cell, resigned as the Blancos standard bearer and urged the party to pick a new candidate for the electoral contest.

Uruguayans, however, tend to practise politics like they support Penarol, the country's favourite soccer team, and raw emotions and blind loyalties often appear to outweigh considerations of tactics.

"The country is everyone's or it is no-one's," declared a huge banner hung across the party's convention centre.

"They have proscribed Uruguay's most beloved son," declared party leader Sr Hector Rios, as the overcapacity crowd of more than 5,000 foot-stomping delegates and others cheered wildly. "This is garbage, it is against the law, and it is immoral."

The Blancos near-unanimous decision to retain Sr Ferreira means that with one week remaining before the official registration of candidates is closed, the military will have to decide whether to accept his candidacy, or disallow the party's participation in the contest. A third choice, extending the registration date, is opposed by Uruguay's other traditional party, the Colorados.

At the root of the controversy is the Government's charge that Sr Ferreira betrayed the constitution and maintained links to the once powerful Tupamaro urban guerrillas, charges most local analysts here say are politically inspired and without proof. Sr Adolfo Suarez, former Spanish Prime Minister, joined the Blanco leaders' defence team on Sunday as it sought to pressure the military for Sr Ferreira's immediate release.

The Blanco's strongly object to the agreement reached earlier this month by the military and Uruguay's other political parties by which elections will be held despite Sr Ferreira's continuing proscription. They argue that the ban on Sr Ferreira, Sr Liber Seregni, former general and one-time Leftist presidential candidate, and some 5,000 Leftist activists means the electorate will be deprived of a fair choice.

Blanco leaders such as Sr Rios say the proscriptions are part of a pact between the military and Dr Julio Sanguinetti, the Colorados' presidential candidate.

"This is the Government's attempt at dictating their successors and the Colorado party has become the military's own party," said Sr Rios

Sr Sanguinetti has argued that under the terms of the accord, some political proscriptions will remain in effect and that the military will have only a peripheral say in domestic security matters. He argues, however, that the accord is the best possible agreement

The bitter rift between the Blancos and the other parties has caused many independent observers to fear that whatever the result of the elections, the incoming government may lack the overwhelming popular consensus needed to attack Uruguay's deep-seated economic and social crises.

WORLD TRADE NEWS

No new EEC Saudi tariffs before talks

RIYADH—The European Community has agreed not to impose further tariffs on Saudi Arabian petrochemical products before talks on the issue with Gulf states, a Saudi government minister was quoted as saying yesterday.

In June the Community imposed a 13.5 per cent tariff on Saudi methanol shipments at the request of the Netherlands, on the grounds that Saudi Arabia has exhausted its quota.

In an interview ith the Saudi daily *Asharq al-Awsat*, Mr Abdelaziz al-Zamel, industry and electricity minister, reiterated his criticsm of the move as unjustfied.

"The quota as it stands does not satisfy even one shipment of our products. Our quota ought to be increased and fixed on the basis of state-to-state relationships," he said.

He said the Community had undertaken to impose no new unilateral tariffs on Saudi products until the formal start of talks on the subject this autumn with the Gulf Co-operation Council, which groups Saudi Arabia with Bahrain, Kuwait, Oman, Qatar and the United Arab Emirates.

Saudi Arabia hopes to capture 5 per cent of the world pertochemicals market over the next few years with thet output from new petrochemical plants using natural gas.

Reuter

Egyptian team to discuss increased Soviet trade

BY TONY WALKER IN CAIRO

A HIGH-LEVEL Egyptian delegation left Cairo at the weekend for talks in Moscow aimed at further increasing trade with the Soviet Union.

Afterf dwindlin to almost nothing between 1977 and 1983, trade last year reached £400m and is expected to top £500m this year.

Despite the freeze on political and economic relations following the late President Anwar Sadat's expulsion of Soviet advisers in the early 1970s, Egypt still needed to import significant quantities of sprae parts to maintain Russian machinery used by industry.

The Egyptian trade delegation, led by Hussein Ahmed Hussein, first deputy secretary of foreign trade, will discuss with Soviet officials increased imports of machinery, timber,, newsprint, chemicals and glass.

Egyptian and Soviet trade officials held talks in Cairo in July at which agreement was reached on Soviet purchases of cotton cord and textiles.

In 1983 Egyptian exports to the Soviet Union were £250m and imports £150m. In 1984 Soviet exports are expected to be in the order of £280m and imports £220m.

Egypt's total exports in 1985 are expected to reach U.S.$4.5bn (£3.4bn).

NKK, Marietta venture

BY YOKO SHIBATA IN TOKYO

NIPPON KOKAN K.K. (NKK), Japan's second largest steelmaker and Martin Marietta of the U.S. have reached an agreement in principle to launch a joint venture for manufacturing advanced non-ferrous metal products such as aluminium and titanium alloys.

The new company, owned 40 per cent by NKK and 60 per cent Marietta will take over the Torrance plant of Martin Marietta Aluminium, a wholly-owned subsidiary of Martin Marietta Corporation. Mr Yoshinari Yamashiro, NKK's vice-president, said yesterday morning in Tokyo that NKK's equity participation in the new joint venture would amount to about $45m. According to NKK, the company has been exploring for some time ways to diversify into the advanced metal alloy business to cope with worldwide recession in the steel industry.

NKK is also expected to sign a contract with National Steel, the U.S. seventh largest steel company on August 22 to purchase 50 per cent of National Steel.

Yugoslavia in steel deal with China

By Aleksandar Lebl in Belgrade

YUGOSLAVIA has started exporting steel products to China.

Zenica, the largest iron and steel works in the country, recently shipped 20,000 tonnes of rolled goods and has signed a new contract for 11,500 tonnes while another contract for 20,000 tonnes will be signed soon.

From next year Zenica will export to China 100,000 tonnes of steel products a year for ten years.

An agreement on that worth close to $500m was signed last June between the Feroelektro foreign trading com- of Belgrade and the Chinese Corporation for Metal Import and Export.

Greek merchant fleet declines

The number of ships in the Greek merchant fleet fell 12.4 per cent between JPune 1983 and June 1984, according to figures released by the Ministry of Merchant Marine, Andriana Ierodiaconou reports from Athens.

The number of ships bearing the Greek flag fell from 3,490 to 3,057. Some 661 ships left the Greek flag, against only 228 new registrations. The fleet's capacity fell from 39.14bn gross tonnes to 35.14 gross tonnes, a decline of 10.2 per cent.

The decline is believed partly to result from costly recycling legislation adopted in January 1983.

Swiss cut oil imports

Switzerland, which is wholly dependent on oil from abroad, reduced its imports of oil by 7.1 per cent during the first six months of this year, compared with the same period in 1983, according to figures released in Zurich by the Swiss Oil Association which represents all private sector oil companies in the country, Anthony McDermott reports from Geneva.

Railcar loan backed

Britain's Export Credits Guarantee Department has guaranteed a U.S.$ 8.9m to help finance the supply of 16 trailer-type railcars to Hong Kong, our Trade Staff writes. The contract has been awarded to Metro Cammell

David Marsh reports on a change of mind about Japanese investment in France

Paris welcomes Japan's 'Trojan horses'

WHEN THE French Government earlier this summer was looking around for possible buyers for the bankrupt hydraulic shovels company, Richier, the first group it contacted was Komatsu, the leading Japanese earth-moving equipment maker.

Komatsu has since declared it is not interested in taking over Richier. But the French move—which sent a *frisson* of anxiety through other French excavator manufacturers, notably Poclain, which is already suffering severely from Japanese competition—confirms a new open-door policy in Paris to Japanese investment.

The turn-round, after years of suspicion towards Japanese "Trojan horses" in France, is part of a general recession-induced change in the Paris Government's attitude to foreign companies moving into France.

The previous Giscard administration blocked a number of foreign takeovers — such as Tenneco's proposed 100 per cent takeover of Poclain in 1976 or Occidental Petroleum's bid to buy the chemical activities of Pechiney in 1981 — on the grounds that control of key companies could not move abroad. And it often made life as difficult as possible for foreign multinationals in France, most notably International Business Machines, by to national "champions" in specific sectors.

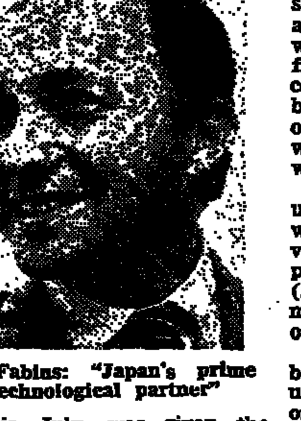
The previous government's overall hostile stance towards foreign investment was often egged on by the Socialist and Communist parties while in opposition. But following the Socialists' confrontation with the realities of power—and the growing problems of rising unemployment—the mood has changed.

In France's crucial relationship with Japanese companies there have been three turning points.

The first was the celebrated customs clearance blockade against Japanese video cassette recorders mounted in October 1982. This was the clearest possible signal of French willingness to take tough measures against untramelled Japanese imports. But it also represented a message to Tokyo that companies would need to invest directly in France to win markets.

The second was the agreement by the nationalised Thomson electronics group in April 1983 to build video cassette recorders (VCRs) under licence from JVC. This marked a previously-absent French openness to technological collaboration—even with Paris as the junior partner.

And the third was the accord, finally reached in April after months of complex negotiations, for Sumitomo Rubber to take over tyre and other manufacturing activities from the bankrupt French subsidiary of Dunlop. Sumitomo Rubber's takeover, which became effective in July, was given the Government's blessing in spite of strong opposition from the Michelin tyre group. It marked the largest ever investment by a Japanese. Although it is hardly likely to pave the way for an avalanche of Japanese businesses setting up in France, the deal could herald the start of a new chapter in industrial links between the two countries.



M Fabius: "Japan's prime technological partner"

One foreign diplomat in Paris who monitors France's industrial policy comments: "There has been a tremendous change in attitudes to the Japanese over the past year or so."

The switch has resulted not just from growing unemployment, he says, but also from realisation that Japanese companies setting up operations in other Community members, such as Britain, could mount an attack on the French market with products classed as coming from within the EEC. By discouraging Japanese investment, but none the less facing imports of Japanese technology, "France was having the worst of both worlds," he says.

Sumitomo Rubber has taken under its wing more than 3,500 workers out of Dunlop's previous 5,600 workforce, and has pledged to invest FFr 300m (£26m) over three years in modernising the company's operations.

The deal was favoured by both the Government and unions compared with a rival offer put forward by a group led by Michelin, which would have led to more workforce cuts.

The scale dwarfs previous Japanese investment operations, which, according to figures from the Government's industrial development organisation, Datar, created or saved just 1,100 jobs in France in 1982, and 301 in 1983, 6 per cent of employment stemming from overall foreign investment in France over that period.

In spite of continuing irritation in Paris over France's FFr 12bn trade deficit with Japan last year (which could rise to FFr 15bn in 1984), M Laurent Fabius, the new Prime Minister, held out the prospect last month that France could become "Japan's prime technological partner in Europe."

He made the comment during a visit to Tokyo in his capacity as Industry Minister, just before being made Prime Minister in the mid-July government reshuffle.

During the trip, M Fabius went out of his way to promote France as a European production and export base for Japanese companies. The possibility of electronics group Akai building a second VCR manufacturing plant to add to its present factory at Honfleur on the Normandy coast was discussed during the visit.

Examples of other Japanese groups to have beaten their path to France over the last two or three years include Sony with a video cassette plant at Bayonne, Clarion with a car radio operation in Lorraine, Canon which has started to make photocopiers in Brittany, and Pioneer which is manufacturing loudspeakers in Bordeaux. The Suntory drinks group at the end of 1983 bought up the Chateau Lagrange Medoc vineyard.

Japanese activity is clearly still a long way behind the operations of U.S. companies in France, where new investments last year gave jobs to 3,800 people according to Datar. But if M Fabius's Government maintains the changed tone towards Tokyo —and backs it up with the all-important bait of financial incentives—the gap could soon begin to close.

Peking buys West German N-plant monitoring system

PEKING—China has purchased sophisticated nuclear-reactor monitoring equipment from a West German company because talks with a French company have stalled, the Government said.

A report in Saturday's official English-language newspaper, China Daily, said the state-run China Nuclear Energy Industry Corporation signed a contract with Kraftwerke Union to buy the equipment used in plants with pressurised water reactors.

The value and date of the contract were not disclosed, but they fell under the guidelines of an agreement China and West Germany signed in May covering the peaceful use of nuclear energy.

"The contract was signed when crucial negotiations on technology transfer in this field had made no progress with the French company, Framatone," the China Daily said.

China's Communist Government aims to construct 10 nuclear plants by the end of the century to produce 10,000 megawatts of power.

Peking has invited foreign companies to compete for billions of dollars in contracts and has signed nuclear-cooperation agreements with France and West Germany to acquire technology and equipment. The Chinese are negotiating with Japan and the U.S. to conclude similar agreements.

AP

Canada sells aircraft to Bonn

By Jonathan Carr in Bonn

THE WEST German Defence Ministry has decided to buy seven medium-range Challenger CL 601 aircraft from the Canadian company Canadair at a cost of about DM 320m (£85m).

The 16-seater aircraft has a range of about 4,500 km.

● Jet America has ordered four more McDonnell Douglas MD-80 twin-jets valued at approximately $90m.

Michael Donne, Aerospace Correspondent adds: The new 42-50 seat regional turbo-propeller airliner developed jointly by Aerospatiale of France and Aeritalia of Italy has completed its maiden flight. The aircraft flew from Toulouse last Friday, where final assembly is undertaken, three weeks ahead of schedule.

UK to promote North Sea technology in India

BY IAN HARGREAVES

A SECOND round of UK Government initiatives to try to develop India as a market for North Sea oil expertise is to be launched this autumn.

Following a recent visit to India by officials of the Department of Energy's Offshore Supplies Office, plans are now being made for high level visits to Britain in the next few weeks of officials from the Indian Oil and Natural Gas Commission, the state-owned oil company.

Since a visit to India earlier this year by a group of British industrialists, led by Mr Alick Buchanan-Smith, the Energy Minister, a number of developments have taken place.

The Government has nominated a member of the British High Commission staff in Bombay to concentrate full time on commercial opportunities in the oil and gas sector. Bombay is the centre of the Indian offshore energy industry, since it is the base for the Bombay High offshore field.

The possibility of linking Overseas Aid to oil and gas projects is also being explored. Aid is already used to back British energy projects in the power generation and coal sectors in India.

Mr Buchanan Smith said he was still convinced major opportunities existed for British companies in the Indian energy field.

Miners' leaders meet arbitrators

By John Lloyd, Industrial Editor

THE UK MINERS' strike has entered its 24th week with the continuing slow crawl back to work in the strike areas and signs that third parties are attempting to help bring the dispute to a conclusion.

Some 160 miners crossed picket lines in the militant areas of Yorkshire, South Wales, Scotland; the north east and Kent. For a brief period, all of the National Coal Board (NCB) fields had at least one miner working for the first time in the dispute.

The total number of miners working however, remains a fraction of 1 per cent in those coalfields and senior NCB officials privately admit that this rate of return to work will not end the dispute.

A potentially more hopeful development was the disclosure made yesterday by Mr Arthur Scargill, president of the National Union of Mineworkers who said he and fellow national officers had met senior officials of the Advisory Conciliation and Arbitration Service (Acas) late last week to rehearse their case against pit closures.

The meeting with Mr Pat Lowry, Acas chairman, and Mr Dennis Boyd, chief negotiator, is seen by Acas as an useful briefing exercise which might, in time, lead to further talks.

No new initiatives are planned, however, and the coal board – which met Acas officials some weeks ago – said "there is no question of Acas intervening; at least not as far as we are concerned."

The finance and general purposes committee of the Trades Union Congress (TUC) – which brings together senior union leaders – yesterday agreed that Mr Len Murray, TUC general secretary, should press NUM leaders for further talks as soon as possible. This would allow the TUC general council to agree what support if any it can offer the miners in advance of the TUC annual Congress in two weeks time.

Mr David Basnett, general secretary of the General Municipal and Boilermakers' Union, repeated his call for a frank discussion with NUM leaders on the dispute. A number of TUC leaders are concerned by the demand which the NUM is set to make at Congress for "total support" for the strike.

Mr Basnett has proposed that the TUC offer to co-ordinate support to the NUM; set up a loan fund for the union; and consider what physical support it can give.

The NUM's call for total support will be strengthened at Congress by amendments from other left-led unions which would commit Congress to raise a weekly 10p levy from all trade unionists.

Scotland is the main area of those first embarked on the strike where miners are returning to work in significant numbers. Bilston Glen, the area's largest pit, is the leader in the back-to-work stakes, with 93 men reporting for work yesterday through light picketing.

The previously-solid north eastern area saw 23 men return. But local NUM officials said the returning workers were largely white collar workers, and claimed the strike was still solid.

BSC fails to secure ruling on coal imports

BY BRIAN GROOM

THE THREAT of another national dock strike remained last night after the National Dock Labour Board decided it was unable to rule on the row over coal imports at the Hunterston terminal on the west coast of Scotland.

This posed a severe dilemma for the British Steel Corporation (BSC) which was considering its position last night. Registered dockers, tugmen and boatmen in the Transport and General Workers' Union (TGWU), are blacking coal imports for the Ravenscraig steelworks, in support of the miners' attempt to cut steel production.

BSC asked the labour board to rule that the statutory dock labour scheme would not be breached if it used members of the Iron and Steel trades Confederation (ISTC), who operate the cranes at Hunterston, to do the unloading.

ISTC members normally drive the cranes, while dockers work in the hold. BSC believes the cranes could unload most of the cargo, though a residue would be left.

The Panamanian-registerd Ostia, carrying 95,000 tonnes of coking coal, has been waiting for several days to dock. The TGWU has threatened a national strike if the ship is berthed or unloaded.

Mr Reg Thompson, chairman of the labour board, which includes TGWU, employers, and independent representatives, said after the meeting in London the ruling could not be made because neither the 1980 statutory order, which brought Hunterston into the labour scheme, nor a local agreement made earlier this year referred to "free grabbing" by ISTC-manned cranes. Free grabbing means taking coal without registered dockers being present.

Mr John Connolly, TGWU national docks secretary, and a member of the board, said the TGWU view of the Hunterston agreement had been confirmed. The threat of a strike had "possibly" receded because of the decision, and called for talks with BSC in Scotland to agree on a restricted quota of coal

Apart from talks on a quota BSC has three options: to berth the Ostia and risk provoking a strike; to run down production at Ravenscraig or seek a more distant non-scheme port to handle the coal, and carry it by lorry to the plant.

Magic – but the spell did not work

Alan Cane looks at consumer technology discoveries which failed to catch on or were a commercial failure

CONSUMER TECHNOLOGY is about personal miracles, the gratification by purchase of unspoken desires. It offers people their own individual magic, their own cosmic screwdriver to open new horizons for their brains (the pocket calculator) and bodies (the electric drill).

It gives them the ability to shift time (the videorecorder) and space (the motor car).

Its history is littered with near miracles, however, personal magic where the spell did not work, or wore off pretty quickly – often for no obvious reason.

Why, for example, should AT&T's Picturephone, which makes it possible for two people on the telephone to see each other as they speak, have proved such a commercial failure?

It worked, it fulfilled a tenacious dream, yet despite the excitement it generated at the 1964 World's Fair, it simply failed to take off.

The dream persists, however. In West Germany Siemens is several months into its Bigfon experiment where, at vast expense, 350 subscribers in seven German cities are able to see each other on their television screens as they talk.

It is easier to see why the Nimslo camera, which enables mere amateurs to take three-dimensional snaps, has failed to fulfil its expected potential, despite all those millions of dollars invested.

The technological miracle here was all in the processing, in the computer-based methods used to develop and mount very complicated prints.

The miracle never touched the images themselves though, art may be in the eye of the beholder but most beholders agree that you would have to be a shareholder to find Nimslo snaps acceptable.

There was, however, a small but real market for instant photography developed, no pun intended, brilliantly by Polaroid Corporation. It caught a cold with its instant home movie system, Polavision, however.

Technically marvellous, it was expensive and produced pictures of comparatively poor quality.

So the way was cleared for the emergence of the videorecorder. This *really* fulfilled a need and JVC of Japan quickly dominated the market with its VHS format – cheap, cheerful and ubiquitous, even if lacking something in picture quality.

NEAR MIRACLES

- Bell Picturephone
- Du Pont Corfam
- IBM PCjr
- Nimslo camera
- Philips Laservision
- Polaroid Polavision
- Pulsar LED watches
- Quadrophonic sound (CBS, JVC and others)
- Sinclair Microvision
- Wankel engine

Enter Philips – and others – with their own video miracles, V-2000 for tape and the Laservision videodisc system, all promosing vastly improved picture and additional features.

Neither set the world on fire, however – videodiscs not least because they could not record broadcast material.

Perhaps customers were simply spoiled for choice of system – or so used to watching bad television that a less than perfect picture passed unremarked.

Manufacturers clearly like to believe that their customers' search for perfection is without boundaries. Quadraphonic sound, for example.

High fidelity was always a winner, stereophonic sound made steady progress over the years but orchestral assaults from four directions – and four manufacturers, CBS, Sansui, JVC and Nippon Columbia – simultaneously fell on deaf ears.

It doubled the price of high fidelity for imperceptible improvements in the listening experience and found few takers.

Television, again, is fertile ground for near miracles. Both tiny televisions from Sinclair and Sony and large screen sets from Mitsubishi and the other Japanese electronics aces have found mixed favour.

Even the mighty IBM gets it wrong at home. It dominates the business personal computer market, but its home computer, PCjr, failed to impress and the company took it back for retreading.

Nothing short of divine intervention can save it from an ignominious fate, one consultant sneered. He added: "And so far, we have no reports of prayer meetings in Boca Raton" (IBM's personal computer headquarters.)

Sometimes a mismatch between technologies is the problem. Early digital watches, from Pulsar, for example, used red light-emitting diodes for their display.

They made it easy to read the time, but they took so much power that the user had to press a button on each occasion.

It was easier to ask a policeman, even if the makers did claim that pressing the button afforded the user "psychological satisfaction."

Now all digital watches feature liquid crystal displays, miserly in their use of power and on all the time.

Then there was the Wankel rotary engine. The priciple was revolutionary but the lubrication was not and cars with a Wankel power unit were plagued with damage

The lubrication industry has now solved these problems and Mazda makes a perfectly respectable rotary engined sports car – but too late, alas, for the Wankel.

Down to earth, at last, for Corfam, the wonder-breathing (poromeric) artificial shoe leather from Du Pont.

Technically a great success, it never got off the ground because of fashion – the swing to open sandals and running shoes among the young – and because leather prices failed to rise as expected.

Du Pont sold the process, the technology and the factory to Poland, where poromeric shoes are still turned out by the retortful.

Tomorrow: the worst post-war buildings

Cable TV plan for Europe

By Raymond Snoddy

INDEPENDENT television (ITV) companies are looking at the possibility of putting together a channel to sell to cable television operators in Europe.

A service which includes current and past ITV successes, "News for Europe" as well as films is being considered.

The service, which would be in English, would be delivered by low power satellite to cable operators throughout Western Europe.

Research on the project is being carried out by executives at Granada on behalf of the Independent Television Companies Association (ITCA) cable and satellite working party.

It is not clear how this latest ITCA proposal would fit in with plans already announced by Thames Television, the largest ITV company, to produce its own cable channel for Europe.

Mr Bryan Cowgill, managing director of Thames, decided to go it alone after talks for a joint cable project with Granada came to nothing.

The proposed ITV satellite service is planning – as does Thames – to charge cable operators a subscription for the service. Advertisements could then be inserted locally at a later stage.

Mr Cowgill says the initial response of European cable operators to the Thames project has been good.

Men and Matters, Page 12

Defence Ministry bar on Channel gas find

BY DOMINIC LAWSON

MINISTRY OF DEFENCE restrictions could prevent British Gas from exploring fully an area in the English Channel off the coast of Dorset in which the corporation has just made a significant gas discovery.

The find, announced at the weekend, is four miles off the coast and less than 10 miles from Wytch Farm oilfield, Europe's largest onshore oilfield which was also discovered by British Gas.

About one third of the offshore block – the south eastern portion in the latest discovery – is off-limits to drilling for oil and gas at the request of the Ministry of Defence.

Ministry officials last night declined to state the precise reasons for the embargo.

The Dorset coastline has long been seen by the oil industry as an area rich in potential for oil and gas, but it has also been of special interest to the armed forces. In particular the presence of an army firing range at Lulworth Cove has prevented the Department of Energy from licensing highly attractive acreage just to the east of the Wytch Farm field.

On the nearby Isle of Wight two Esso blocks are similarly subject to drilling restrictions imposed at the request of the Ministry of Defence.

The oil industry's attempts to find and develop hydrocarbons in these areas has been further complicated by environmental factors. It is for such reasons that the Energy Department recently said it ruled out oil drilling in Poole harbour, which adjoins the Wytch Farm oilfield.

If British Gas does get to the stage of developing its latest discovery it could meet opposition because the find is in full view of the holiday resort of Bournemouth.

BP places £25m Forties contract

Financial Times Reporter

BRITISH PETROLEUM (BP) has awarded a £25m contract to Matthew Hall Engineering for the development of Forties, the UK's biggest North Sea oilfield.

The contract covers the design of facilities on a new platform (Forties Echo) and for modifications and additions to existing platforms. Production from Forties Echo is scheduled to start in August 1987.

BP's contract comes after the Department of Energy's decision in June to approve a £400m development by the group of the south eastern portion of the Forties field.

This is expected to add about 200m barrels to the original Forties estimates of 1.8bn barrels

THE ARTS

Un re in ascolto/Salzburg Festival

Max Loppert

Salzburg is the world's luxury opera (and also music and drama) festival, the money-no-object festival, perhaps the last surviving where opera performance is essayed, as a matter of principle, on the grandest and most opulent scale. It has also been, in its early and early-postwar phases, a place of artistic adventure, where the special circumstances of a great city and its wonderful configuration of festival locations encouraged presentations that were also voyages of discovery.

In the Karajan era, that side of Salzburg has been neglected; recently, however, there have been signs of its resurgence. Fifteen years separated the Salzburg premières of Henze's *Bassarids* (1966) and Cerha's *Baal* (1981); only three, *Baal* and this year's *Uraufführung*, Luciano Berio's *Un re in ascolto* (and Penderecki's *Black Mask* is promised for 1986). The gap between new operas here appears to be closing.

When Salzburg puts on premieres, it does so with enviable largesse. A simple roll-call of names involved in *Un re in ascolto* gives an indication: Italo Calvino as librettist, Lorin Maazel to conduct the Vienna Philharmonic, Götz Friedrich to produce in the designs of Schneider-Siemssen (sets) and Rolf Langenfass (costumes), a large cast headed by Theo Adam (as in *Baal*) and including Heinz Zednik, Karan Armstrong, and Patricia Wise.

But the product of such an ensemble was not, as in the Cerha opera, a status occasion lacking real theatrical vitality or interest. Berio's third work for the lyric theatre—he insists upon the term "musical action" rather than opera—is composed of a multitude of ingredients, many of them apparently confusing, obscurantist, pretentious, and dated. Yet in the theatre the whole mixture coheres, bound together by a genuine command of dramatic power, pace, and beauty of sound.

Calvino, Berio's collaborator on *La vera storia* (1978-81), found his first inspiration and point of departure in an encyclopaedia essay by Roland Barthes on "l'ascolto," the act of listening in which so many other kinds of perception, linked or contradictory as may be, are involved. From here the conception developed of a theatrical myth—a king able to experience the world around him only through sound—upon which theatrical layers could be built. The king becomes Prospero, the fable *The Tempest*; and the myth is set (as it were) in quotation marks by being presented as a theatrical event-in-progress. Prospero is an impresario deep in the rehearsal of a play (*The Tempest*), enmeshed in the noisy kaleidoscope of discussion with his director and auditions for a leading lady; his outer and inner realities begin to twine with those of the theatrical business at hand, leading to his heart attack at the end of the first part, and his death at the close.

Simply in outlining a piece that consciously strives to set up its own simultaneous mirror-image, it's hard not to dip into abstruse or fancy formulation. (The danger was not avoided in the festival brochure and programme, which both offered essay samples of the Italian musical intelligentsia at its most inimitably impacted.) In the immediate background of *Un re in ascolto* lie Fellini's *8½* and Pirandello's *Six Characters*, not to mention Berio's own *Opera* or Kagel's meta-operatic fantasies; the self-consciousness, denseness, and allusiveness of the structure make the collaborations of Strauss and Hofmannsthal seem like "Baa Baa Black Sheep" by comparison.

Advance study of the libretto suggested, in fact, one of those overcrowded artworks beloved of the 60s and early 70s, one of those "let's get back to the roots of everything in order to discover the meaning of something" gallimaufries, larded with quotation, dream symbol, and multi-level activity the prospect of which now appears so wearisomely familiar.

Any such prospect is confounded, in the best way, in the theatre itself. For in Berio's score, which finds him working at full stretch, the poetic possibilities of the libretto are realised with exuberant flair and love of theatrical device from the simplest to the most complex. Both its halves are shaped, *Wozzeck*- or *Lulu*-like as carefully structured composites of scenes based on closed forms—Aria, Duetto, Concertato, Serenata. As in the Berg operas, an erudite, ironic appreciation of the past history of thoes forms fuels the musical impetus. One of Berio's most significant gifts has always been his ability to look back, with affection in which irony is mingled in ways that send paths of development shooting forward. (Prospero's last words, and those of the "musical action," are "un ricordo al futuro"—a memory of the future.)

> 'In Berio's score, which finds him working at full stretch, the poetic possibilities of the libretto are realized with exuberant flair and love of theatrical device'

Out of the ebullient hubbub in which the work-in-progress is delineated, each scene grows from a characterising "sound-gesture," expands upon it with a distinctness of line and sonority which bear out the composer's much-quoted pleasure in writing for the Vienna Philharmonic. The choral writing is both witty in its grandiose piles of concords and "sincere" in its richness of sound; at key points the four female principals — three Singers auditioning for the leading role, and then a long intervention at the work's climaxv by the protagonist—inject lyricism in arias whose development upon a basic interval, a basic vocal-instrumental combination, in Monteverdian in freedom and freshness of style.

Homages to the Mahlerian and Bergian adagio, which occur in the monologues of Prospero and duets with his Director, are rendered numinously pertinent by Berio's essentially Italian sense of music-theatre. For all its intellectual ramifications and its qualms about genre name, *Un re in ascolto* comes across as a successful opera—good plot, good balance between words and music, good to listen to.

The performance was of a quality that all contemporary opera composers must dream about. The happiest features of Friedrich's London *Ring* (the use of stage machinery, here a central moveable disc with moveable surounding "penumbra," to underpin structural concept) and *Lulu* (the filling of a stage with buzzing comic business while keeping every strand clear) were in evidence, without the intellectual impositions that accompanied those productions. Maezel's gift for clairfication has never been more purposefully called upon.

As Prospero and the Director, Adam (one of the very few opera singers credible as *uomo pensieroso*) and Zednik performed vocal and verbal prodigies — in Salzburg Berio opted for delivery both in the Italian original (for the "play") and in Burkhart Kroeber's German translation (for the sections of "deeper reality"). An Actor (Helmut Lohner) as the Caliban figure and a Mime (Samy Molcho) as Ariel made brilliant incursions.. None of Berio's stage works has yet been seen in London. *Un re in ascolto* by the ENO would make handsome amends.

Zimerman, Fischer-Dieskau/Edinburgh Festival

Andrew Clements

Among their many trials and tribulations, some of them self-inflicted, the Festival organisers have publicly lamented their inability to meet the enormous fees demanded by some international performers. Yet both of Sunday's recitals were right out of the top drawer. Krystian Zimerman gave a sparkling recital in the Queen's Hall; Dietrich Fischer-Dieskau devoted his Usher Hall programme to Brahms.

Zimerman's performances were a revelation. Previously I had heard only a single concerto appearance and his recordings. None of which prepared me for the astonishing range of colour and touch he draws from his instrument, nor for his acute awareness of texture and structure and the necessity of their interdependence.

Bach's B Flat Partita was effortlessly graceful, delicately spun rather than athletically muscular, an account that emphasised independence of line over polyphonic structure with a left hand of perfectly natural articulation. In Beethoven's Waldstein Sonata, too, clarity was paramount; a slow movement of the sheerest silken line, a finale which began almost lackadaisically and proceeded to generate great fire and intensity.

Zimerman ended his programme with Chopin's B Flat Minor Sonata, a heavyweight account that forwent romantic dalliance for urgency and coherence. But he preceded it with three pieces of late Liszt: *La gondola lugbre*, to whose lonely melodies he brought a bleak compelling eloquence, *Nuages Gris*, revealing an infinity of subtleties in its textural blocks, and the remarkable *La Notte*, a funeral march of quite shattering intensity, almost pre-empting the effect of Chopin's example of the sonata that followed it.

*

One would have thought Fischer-Dieskau's reputation enough to guarantee a full house almost anywhere. Not it seemed in Edinburgh. Even though it was his first recital here for six years the hall was by no means sold out; perhaps Brahms Lieder lack the popular appeal for a programme of, say, Schubert or Schumann.

Two months ago Fischer-Dieskau gave a quite riveting account of Schubert's *Winterreise* with Alfred Brendel at Covent Garden, husbanding his vocal resources to marvellous effect. This recital was *not* on that exulted level, partly because of the natural unevenness of the music but also because Fischer-Dieskau's own responses were occasionally less sharply focused. In some of the most direct and simple settings, "The Drummer's Song" from Op. 69 for instance, his close attention to detail tended to swamp the song's natural naivety—art concealing artlessness—and his most successful accounts came when he could build dramatic unity through a coherent sequence of songs, and in the rather Schubertian melodrama of four numbers from Op. 32 or when as in some of the later songs he found rather better verse to which he could respond.

Andrei Gavrilov/Elizabeth Hall

David Murray

It is some years since Mr Gavrilov appeared in London, but he hasn't greatly changed. He devoted his South Bank Summer Music recital on Sunday to Skryabin and Rakhmaninov, strings of short pieces ordered according to his own taste (and more or less corresponding to the printed programme). His 24 Skryabin Preludes, for example, were not the famous op. 11 set but three-quarters of it—omitting several of my favourites, as it happened—with a further clutch drawn from other early sets, played with two pauses but otherwise hardly taking a breath between one piece and the next.

It was a spectacular assault. Though the precise character of individual preludes tended to be obscured in the headlong rush, Gavrilov has enormous sympathy with Skryabin. There were fragile insights as well as drive and fury. (The Steinway began to wilt, and needed anxious attention at the interval.) The composer set more store by beautiful sound than this pianist does—the torrent of quadruple *forte* sometimes became an undifferentiated clangour. The Fourth Sonata was none the less properly dazzling, with a poetic, crystalline introduction followed by a *Presto rolando* that kept Skryabin's breathless tempo to the end—in rapid-fire chords Gavrilov's wrist-action is uniquely brilliant.

In Rakhmaninov the thundering passion began to be oppressive. Rakhmaninov's own playing was more refined than that, more attentive to shape and to careful building; here the slower pieces were treated with feeling (if without special distinction), but the wilder ones were—well, wild. There was no time for nuances in the melodic lines, and precious little difference between the frenetic welter of sound in one prelude and in the next. As an acrobatic display it was admittedly astonishing. It was quite in character, and injudicious, for Gavrilov to conclude the programme with a pile-driving account of the last *Moment musical*, and at once rush into the dramatic E-flat minor *Etude-tableau* and the excessively similar C-sharp minor study from Skryabin's op. 42 as encores. He was tearing into Prokofiev's "Suggestion diabolique" as I slipped away.

Cupid and Death/Elizabeth Hall

Max Loppert

In the musically not very interesting programme of this year's South Bank Summer Music, the first devised by John Williams, this weekend's three staged performances of *Cupid and Death* have shone out like three good deeds in a dreary world. The notion of preceding a staging of the most famous masque from the Commonwealth period with an extended Jacobean entertainment — two hours' worth of costumed musicians and buskers inside and outside the Elizabeth Hall foyer purveying all the wares of Ye Olde England—may have aroused fears that the main business inside the hall itself was to be conducted on a similar tourist's-eye-view level. Happily, Anthony Rooley's stage and musical direction proved them all groundless.

Every student of the tantalising, frustrating history of English opera knows at least something of *Cupid and Death*, music by Locke and Christopher Gibbons, words by Shirley: in his programme notes Rooley calls it, with considerable justice, "England's first true opera." The ingredients are (of course) heterogeneous, and it takes some while for them to become effectively mixed; but the startling originality of the long recitatives and the gradual growth towards the wonderfully beautiful closing vision of Elysian peace (particularly poignant for the unsettled times of the work's creation) make the much more elaborate formal structures of Lully's contemporary French opera foundation seem, by comparison, like heartless theatrical machinery. It's a work far too seldom heard and seen; and it was to the credit of all the participants that it was here shown to be no mere Interesting Historical Phenomenon.

At first, it was reasonable to entertain doubts about the scale and temper of the staging, with its none-too-distinguished approximations of period painted scenery, and its singers and dancers mopping and mowing in period formations. Quaintness was a threat regularly increased by the homespun manner of the spoken delivery. But the freedom from a conductor's limiting beat allowed the recitatives, songs, and choral interventions to blosson at their most natural, word-oriented pace—such interpretative freedom and justness have always been prime virtues of Consorte of Musicke performances. Not all the solo singing was of the quality of Emma Kirkby's account of Nature's music, yet by the end there had been imparted a feeling of close harmony of spirit between work and executants that made this a rare and cherishable experience.

Alastair Muir

Marcel Marceau, after an absence of several years, returned to London last night for a limited season at the Old Vic. Martin Hoyle will review the performance tomorrow

Glyndebourne Festival Opera in 1985

Next year's Glyndebourne season will run from May 20 to August 14 and will include two new productions, of Bizet's *Carmen* and Britten's *Albert Herring*, both to be conducted by Bernard Haitink and directed by Peter Hall.

Carmen, which has never before been given at Glyndebourne, wil be designed by John Bury, with Maria Ewing in the title role. *Albert Herring* will be given at Glyndebourne for the first time since its world premiere there in 1947 and the designer will be John Gunter, working at the Festival for the first time.

There will be further performances in 1985 of John Cox's production of *Arabella*, new this year, conducted by Andrew Davis with Felicity Lott in the title role; and revivals of two 1983 productions, Rossini's *La Cenerentola* directed by John Cox, and *Idomeneo* directed by Trevor Nunn.

Trevor Nunn has also been contracted to direct Gershwin's *Porgy and Bess* for the 1986 Glyndebourne season; the conductor will be Simon Rattle. The other announcement for 1986 is that Peter Hall will direct Verdi's *Simon Boccanegra* with Haitink conducting. Neither opera has been given before at Glyndebourne.

The final 1985 offering is nine performances of a double bill by Oliver Knussen, to designs by Maurice Sendak, of *Where the Wild Things Are* and *Higglety Pigglety Pop!*, conducted by the composer and Stephen Barlow.

Citicorp International Bank Ltd, in their first opera sponsorship in this country, are sponsoring both *Carmen* and *Porgy and Bess*. Autobar Group Ltd and Hayes Group Ltd are sponsoring *Albert Herring*.

The London Philharmonic Orchestra will be the resident Glyndebourne orchestra for the 22nd year, and the London Sinfonietta will play for the Knussen/Sendak double bill.

Zemlinsky's Wilde opera/Record Review

David Murray

To last year's Edinburgh Festival the Hamburg State Opera brought two forgotten one-act pieces by Alexander von Zemlinsky, both after Oscar Wilde, and the second proved to be a little masterpiece. That was *Der Zwerg* (The Dwarf), retitled *Der Geburtstag der Infantin* (The Birthday of the Infanta) by the Hamburgers not only to emphasise the Wilde source, but because their revision of the libretto Zemlinksy used is more faithful to Wilde's tale. The production is promised for Covent Garden; meanwhile the Hamburg performance has appeared in a Schwann album, VMS 1626 (two records: Impetus Distribution), and is as nerve-tugging to hear as it was to watch.

Most readers will know the tale: for the little Infanta's birthday she is given a simple dwarf from the forest and plays flirtatiously with him until—suddenly realising himself to be an ugly monster—he expires brokenhearted. The Infanta requests that her future toys shall have no hearts. Since poor Zemlinksy himself was, as described by his one-time *inamorata* Alma Schindler (who cast him off in favour of Mahler), "a horrid little gnome" as well as a fastidiously original composer, he could appreciate only too well the bitter poignancy of the fable.

He inflated nothing; instead, he conjured up a shimmering musical world for the Infanta and her dwarf—fragile and silvery, threaded with gently rapturous melodic lines. The harmony is never quite straight: wryly sweet for the Infanta's playmates, it goes into exquisite agonies for the Dwarf's wistful fantasies, but delicate and half-suppressed. With the Berlin Radio Symphony, Gerd Albrecht captures that tone with faultless sympathy.

The Hamburg text-revision was prompted partly by the florid clumsiness of G. C. Klaren's original libretto, and also by Klaren's transformation of the Dwarf into a guotestque dandy, a Sultan's gift instead of a huntsman's trophy. In restoring the Dwarf's simplicity they have excised his premonitions about the Infanta's innocent cruelty, too. Those were redundant, and are well lost. But the actual performance adds a concluding touch justified neither by text nor music: in her last lines the Infanta sounds shaken and dismayed, where it is quite enough that *we* should be—*she* merely retreats to the safety of her childish games.

That apart, Inga Nielsen's Infanta is a lovely creation, able to soar with her high phrases and also to strike an imperious note that won't be brooked. Her tender passages with the Dwarf convince; it is a small weakness that she has no childish, heartless laugh. (More of that should have been heard from her mellifluous playmates too). Béatrice Haldas's duenna, mature and poised, represents the adult's-eye view that is needed. Dieter Weller's routine Major-Domo hardly taps the possibilities of his role, but the three prominent maid-servants and the RIAS women's chorus are effective.

The Dwarf is of course sketched *con amore*, and Kenneth Riegel's high-tenor virtuosity makes him eerily vivid. His stage portrayal (on booted knees with a trailing cloak) was brilliant and heart-wrenching, but the recording proves that the characterisation goes deeper than visual tricks. The highly wrought vocal line—the Dwarf has several superb, fraught monologues—is drawn taut, with extreme subtlety and scrupulous diction. Somewhere in the voice is a hint of raw plaintiveness (as there was in the tenor of Gerhard Stolze, an admired Mime), which enforces the sense of rustic youth abused amid courtly patronage.

The whole score is held within elegant formal divisions, as the style of the tale requires; it neither meanders passionately nor administers freehand shocks. The thematic material, worked with refinement, is potent and often haunting—especially the sad *cor anglais* utterances that speak for the Dwarf when he is silent. One-act operas are an awkward genre; not many of them are both pungent enough to establish their worlds swiftly and rich enough to bear extended acquaintance, but I think Zemlinsky's piece is one of those..

Adrian Mole in Leicester

The best-selling book by Sue Townsend, *The Secret Diary of Adrian Mole*, is to be staged at Phoenix Arts, Leicester. Opening on September 6, the first night is to be sponsored by Leicester Sound, the new local independent radio station which goes on the air for 24 hours a day following the première.

The 13¾-year-old protagonist will be played by Simon Schatzberger from Nottingham while Sheila Steafel will be his mother. David Davenport, familiar from the television series *Crossroads*, plays Bert Baxter. More than 200 young actors were auditioned for the title role, the boy whose funny and poignant confidences provide the theme of the show.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

Opera and Ballet

Aug 17–23

WEST GERMANY

Hamburg, Staatsoper: Ariadne auf Naxos is finely interpreted by Gabriele Schnaut, Edita Gruberova and Franz Ferdinand Nentwig. This week's highlight is La Bohème starring Mirella Freni and Neil Shicoff. Die Hochzeit des Figaro is a Götz Friedrich production featuring Franz Grundheber in the title role. Der Freischütz has Walter Raffeiner as Max. Tosca, produced by Jean Pierre Ponnelle, has Eva Marton outstanding in the title role and Franco Bonisolli as Cavaradosi.

Bayreuth: Die Meistersänger von Nürnberg, produced by Wolfgang Wagner with Bernd Weikl as Sachs and Hermann Prey as Beckmesser. Peter Hall's controversial production of the complete Ring is conducted by Peter Schneider. The case includes Jeannine Altmeyer, Siegmund Nimsgern, Hanna Schwarz, Matthias Hölle, Hildegard Behrens and Manfred Jung. The Flying Dutchman is a Harry Kupfer revival, conducted by Woldemar Nelsson, and has last year's acclaimed Simon Estes in the title role. There was much applause for James Levine's conducting of Parsifal with Peter Hofmann in the title role.

TOKYO

Crows Nest Modern Dance (Sogetsu Hall): One of America's most unusual dance companies in a blend of theatre and dance perform a miscellany as part of the Tokyo's American Dance Festival. (Tue, Wed, Thur). (4432521).

SALZBURG FESTIVAL

Bach's St Matthew Passion produced and choreographed by John Neumeier is performed by the Hamburg State Opera Ballet at the Cathedral Square (Large Festival Hall). (Tue).

Magic Flute conducted by James Levine with Ileana Cotubras, Ann Murray, Walter Berry, Peter Schreier, Martti Talvela, the Vienna Philharmonic and the Vienna State Opera Choir, at the Riding School Hall (Tue).

Macbeth conducted by Riccardo Chailly with Ghena Dimitrova, Piero Cappuccilli, Nicolai Chiaurov, with the Vienna Philharmonic, the Vienna State Opera Choir and the Sofia National Opera Choir. (Thur).

LONDON

Royal Festival Hall: London Festival Ballet with some mixed bills. (9283191).

NEW YORK

New York City Opera (New York State Theater): The company's 40th season continues with La Traviata, again directed by Frank Corsaro, conducted by Klaus Weise and with Marianna Christos singing Violetta and Robert Grayson singing Alfredo; Barber of Seville, conducted by Christopher Keene, directed by Toby Robertson, with Judith Forst as Rosina and Frederick Burchinal as Figaro; and La Bohéme, conducted by Imre Pallo with Maryanne Telese as Musetta and Richard Leech as Rodolfo. Lincoln Center. (8705570).

Guaranteed to dampen the keenest traveller's spirits

Nick Garnett charts a route through what he offers as the ten dullest places to visit in England – including the town once voted the most boring place in the universe.

AN ENGLISH tour itinerary offering something different has been awaited for a long time. This is it. A ten-day trip – it can be done in one day without missing anything – incorporating places you have always wanted to visit but have been too cowardly to ask about.

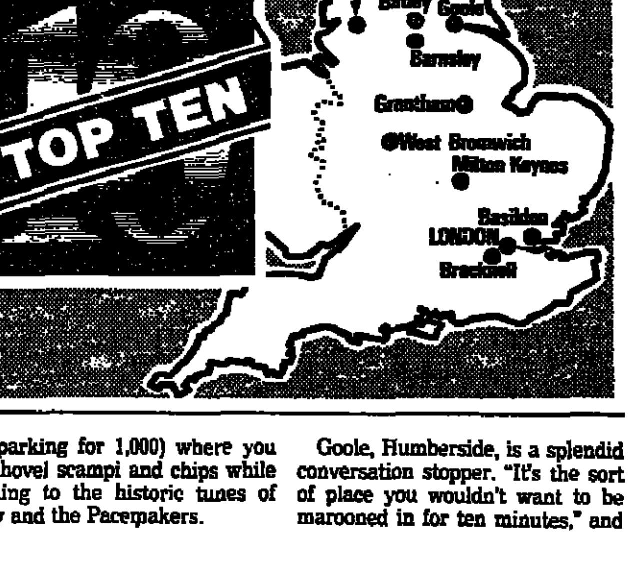
Essentials to take with you include 30 or 40 good novels, stomach pump, dictionary of slang and a flight reservation to Acapulco in case the going gets too tough.

Always start on a highspot. The best way of entering Accrington is along the Manchester road, preferably in the dark. First port of call is Wild's cutmeat shop in Warner Street, owned by a former world champion blackpudding maker.

Then you can stand outside the Peel Park public house, nurse your indigestion and examine the contours of the defunct Accrington Stanley football ground. The town's slot in this tour is marred by having a nice art gallery with an unusual Tiffany glass display.

It's de rigeur to see Bradford's woollen mill shops and what is billed as the world's least visited cathedral, but why not stay overnight at nearby Batley instead?

A leaking roof has forced the temporary removal of the fire engine museum, but by special request you can visit a non-picketed coal mine. This is a simulated one with polystyrene seams at Bagshaw museum. If you fancy a marvellous night out go to the Frontier Club



(car parking for 1,000) where you can shovel scampi and chips while listening to the historic tunes of Gerry and the Pacemakers.

Goole, Humberside, is a splendid conversation stopper. "It's the sort of place you wouldn't want to be marooned in for ten minutes," and that's a tourist officer speaking. He's right. There is absolutely nothing to do in this town where citizens are frequently referred to as Goolies.

Heading south, Barnsley has a few places of interest, but the best idea is to ignore them and plump for two ends of the South Yorkshire culinary spectrum – mushy peas from a cracked bowl at the market hall followed by a Barnsley chop (a giant gut-wrenching block of lamb). For entertainment stand outside the regional headquarters of the miners' unions and whisper abuse.

It's disappointing to discover that even West Bromwich has something to see. This is a cottage abutting a dual carriageway where Francis Asprey was born. Who? Asprey was first bishop of the American Methodish Church. "We get a lot of American visitors," one council officer said unconvincingly.

No trip should avoid Grantham, once voted the most boring place in the universe. A lot of tourists drop off here (in more ways than one) en route from Cambridge to York. There are two interesting old hotels, and Mrs Margaret Thatcher's childhood home has been converted from grocery shop to restaurant.

One town that has to be included is Milton Keynes, only because it conjures up such a picture of nothingness and deserves a mention somewhere for having Europe's most mind-freezing road sign system.

When you talk about Basildon, and Billericay close by, you are talking about peasants. Historically speaking that is. Norsey Wood was the scene of a peasants' revolt 800 years ago, and Wat Tyler, a peasant leader, has given his name to a country park. It's a pity the rebellions were not more successful. Basildon must be on the itinerary as the most boring town in Britain's ugliest county.

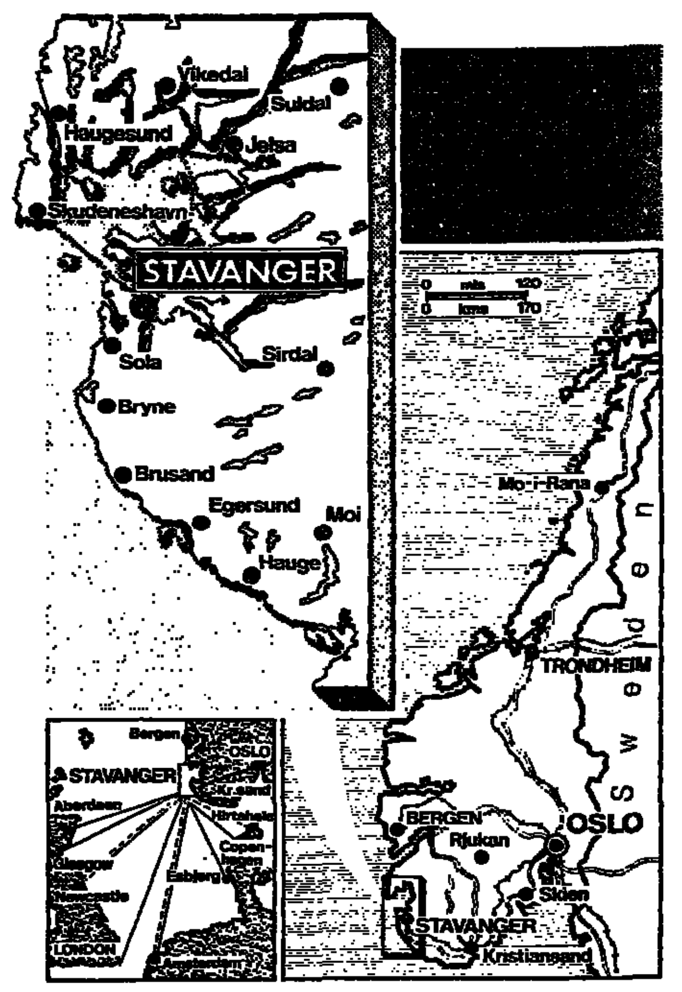
Berkshire County Council has produced a new guide called "Beautiful Berkshire." Bracknell does not feature heavily in this publication. Half a dozen institutions like the meteorological office can be visited if you have the willpower to write to them first. Alternatively, have a side-splitting time looking at house prices in the Thames Valley, light-heartedly known as Silicon Valley in the computer industry because of the large number of computer companies now there.

Why anyone should wish to visit London is beyond many of us. If you are there, why not buy a one-way rail ticket and go to Basingstoke?

FINANCIAL TIMES SURVEY
Tuesday August 21 1984

STAVANGER

JONAS FRIESTAD



In addition to providing more jobs incoming oil companies have given a welcome boost to the service industries in Norway's fourth largest city. Fay Gjester discusses the expansion and looks at the major companies

Offshore oil boosts industry

THE OFFSHORE oil industry came to Stavanger in the mid-1960s, just when the city's economy needed a new stimulus. Fish-canning, which had previously dominated the manufacturing scene, was in decline.

Other activities had grown in importance—among them shipbuilding, metallurgy and graphics (the last a spin-off from the fish-canning industry, which needed colourful labels for its products). The upswing in these sectors had not been strong enough, however, to offset the loss of jobs in the canneries.

As well as providing direct employment, in their newly-established Norwegian headquarters, the incoming oil companies gave a welcome boost to the service industries. Almost overnight, they vastly increased the demand for hotel rooms, restaurants, and transport.

The foreigners who arrived in force to manage oil exploration and development needed housing, and the construction industry boomed. Over the past few years about 1,000 new homes per year have been completed in Stavanger, compared with the national total of 33,000.

What were the drawbacks, if any? The general verdict seems to be "very few."

Mr Bjørn Sunnsvik, of the Chamber of Commerce, says that Stavanger—being Norway's fourth largest city—naturally suffers from the usual urban ills. The divorce rate is rising, there is social misadjustment, there are problems with drugs and alcohol. Studies have shown, however, that crime rates and social problems are no worse in Stavanger, in proportion to population, than in Bergen (larger than Stavanger) or Kristiansand (smaller).

Mr Sunnsvik says that the foreigners who have come to the town are largely families used to moving about the world and adjusting to new surroundings—as oil people are. They have not settled in ghettoes, but have rented homes here and there and become a part of the local community. By and large, he indicates, they make very good neighbours.

The fact that English is the second language of most Norwegians has, of course, made things easier for the U.S. and British visitors. Special schools have been established for the American, British and French communities, as well as a Franco-Norwegian cultural centre. All these are regarded as assets by the "Siddis," as Stavanger people call themselves.

If the Sleipner gas field development goes ahead and if — as seems reasonable — its onshore operating staff of about 500 is based in Stavanger, this would boost the workforce at Forus still further.

With UK-Norwegian agreement on Sleipner apparently imminent, debate has been growing here about which towns or regions should benefit from the development. Some people in small centres like Haugesund and Egersund — fairly close neighbours to Stavanger—have been arguing that the job-generating effect of the project is not needed in prosperous Stavanger.

They would like to see Sleipner operational staff based in one small town, while another would be "given" the Sleipner onshore service base, and yet another the helicopter base from which personnel would be ferried to the field.

This is a prickly political issue, in a country which pays so much attention to regional development. So far the Government has refused to commit itself. It notes that the British Gas Corporation Statoil gas sale has not yet been finally approved by Whitehall, and that even if agreement comes soon, production cannot start until 1991 at the earliest.

The original target date for start-up — before the delays caused by Britain's last-minute doubts — was 1990. Now, the field will not be fully developed until the mid or late 1990s.

Statoil's view is that the economies of the project would be best served by basing the operating staff in Stavanger. It says that by and large they will have to be recruited from residents in the Stavanger area because only here will there be enough people with the right qualifications — 10 to 15 years' experience of running producing offshore fields. Obliging all these people to relocate to some other town would be expensive, and some good candidates would probably refuse job offers, rather than move.

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Gateway to the fjords

THE U.S. oil companies which started Norway's fledgling oil industry, almost 20 years ago, made a happy choice when they picked Stavanger as their Norwegian base. Set in beautiful surroundings, at the gateway to the West Norwegian fjords, the town itself is exceptionally attractive.

Focus of its centre is a large lake, enlivened by ducks, swans and a feathery fountain, and flanked by white-painted wooden houses, a flower-filled park, and a mediaeval cathedral. Its streets are squeaky clean; the walls of its buildings virtually undefaced by graffiti.

The lake and the fjord that runs along one side of the town create a feeling of freshness and spaciousness that is accentuated by the local architecture. There are tall, modern buildings in Stavanger, but they are greatly outnumbered by its characteristic two-storied wooden houses, carefully maintained and painted either white or a variety of gay colours.

Stavanger was chosen as a "pilot city" for Europe's architectural heritage year, in 1975, for being not only the largest wooden-built Norwegian city, but one of the largest in all Europe with such a great proportion of wooden houses in use, and in fine condition.

Mayor Kari Thu says the decision to retain and rehabilitate the picturesque wooden dwellings of "old Stavanger," in the town centre, was taken just after World War II, and approved by a very narrow majority of the town council. Many councillors wanted to tear them all down to make room for modern buildings.

Renovation began on a modest scale, and gradually gathered momentum and growing public support. Now this part of the town, with its zig-zagging cobbled streets (kept ice-free, in winter, by buried hot water pipes), is an important tourist attraction.

Pretty as it is, the town does have one drawback. Because the coast is warmed by the Gulf Stream, colliding with cold currents from the north, the local climate, for much of the year, is raw, blowy and rainy. While the natives take this in their stride, simply donning the appropriate clothing, newcomers from sunnier parts of the world — such as Houston, or Riyadh — can find it dispiriting.

STAVANGER 2

Statoil's new status aims to give it a more equal footing with other important Norwegian oil companies

Statoil was established under a Labour Government. The Conservative-led administration elected three years ago has made some adjustments in its status, aimed at putting it on a more equal footing with the other two important Norwegian oil companies, Norsk Hydro and Saga Petroleum. These changes have, however, been considerably less drastic than expected.

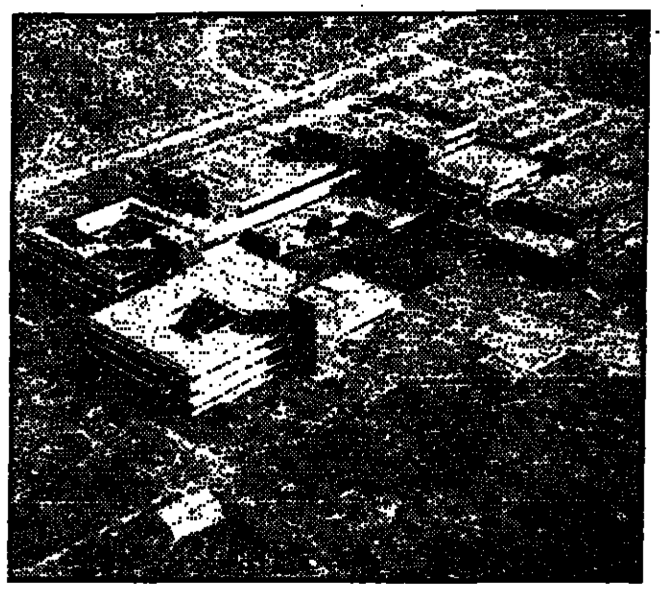
Mainly, they will channel directly to the state a share of Statoil's income from producing fields—but the state will also have to pay a corresponding share of the fields' development and production costs. Moreover, the new deal does not apply to the Anglo-Norwegian Statfjord oil and gas field, now Statoil's main source of income.

A positive aspect is that Statoil will be allowed to become active outside the Norwegian shelf—an option that has been open to its colleagues Hydro and Saga all along. It plans to move abroad only on a limited scale—in key places where the geology is of special interest, or in areas, such as offshore China, where its presence could help promote the export to a new market of Norwegian oil industry products.

"The Norwegian shelf ends at the boundary line, but the geology does not," says Mr Håkon Lavik of Statoil. "We want to understand the geology of the Danish, Dutch and UK shelves."

Because of a farm-out deal years ago between Conoco and the Norwegian state, Statoil already has small stakes in a couple of Dutch fields. Now it is considering applying for acreage in the forthcoming UK ninth round, in co-operation with some other oil companies—which it is unwilling to name at this stage. Since its aim in going abroad is to acquire "relevant experience," it may also apply for stakes in Arctic waters, offshore Canada or the U.S.

China has invited the company to participate in exploration on its shelf—an invitation that Statoil is likely to accept. It enjoys a specially favoured position in China, having acted as adviser on oil matters to the Chinese Government since 1979. Chinese oil industry workers have also been sent to Norway for training with Statoil.



Aerial view of Statoil's headquarters at Forus, on the outskirts of Stavanger.

Bright future for the nation's oil capital

STATOIL, the Norwegian state oil company, has had its head office in Stavanger since its foundation 12 years ago. Today it is the largest firm in the Stavanger region, in terms of turnover, and one of the area's leading employers.

It has some 1,700 staff in and just outside Stavanger—most of them working in the company's new headquarters building at Forus, on the town's outskirts. This is almost half the Statoil group's total payroll of more than 4,000—which includes people working for its refining, petrochemical and pipeline operations, in other parts of the country.

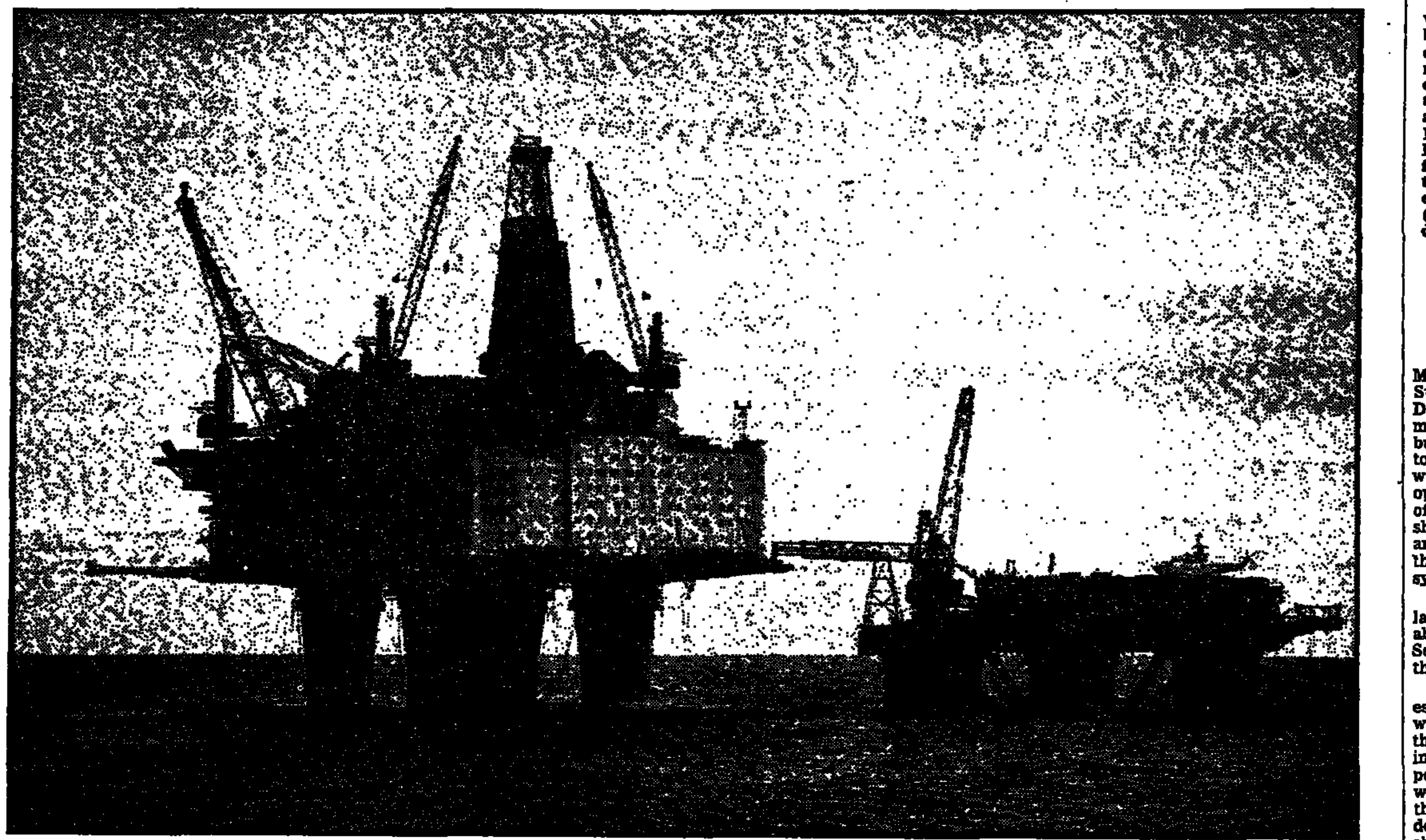
Statoil says the bulk of its onshore personnel directly concerned with petroleum exploration and production are in Stavanger and will remain there in the foreseeable future, although regional offices have been established to deal with operations in the northern North Sea and offshore central and north Norway.

These are sited at Bergen, for the Gullfaks field development, and for research work related to the Troll gas field project, and at Trondheim and Harstad, to co-ordinate exploration off the central and northern coast, respectively.

The Government's 1972 decision that both Statoil and the oil directorate, the oil ministry's advisory arm, should be based in Stavanger definitively settled the town's destiny as Norway's oil capital. By this time it had already begun attracting oil-related activities because U.S. companies like Esso, Phillips and Mobil had set up shop there and because of its proximity to the Ekofisk field, in the south-eastern corner of the Norwegian shelf—the country's first major petroleum discovery.

Although much of Statoil's future expansion will be in other areas, as exploration and production moves to the north, it does not expect to cut its Stavanger staff. On the contrary, it reckons that the total will grow to around 2,500 by the end of the decade.

Many of these will be part-time employees. The job-sharing trend is accelerating in Norway, as living standards rise, and Statoil believes that in future about 2,500 people could be needed to fill 2,200 jobs.



The Statfjord B platform which produced a record daily output of 235,218 barrels on June 25 this year

The British Gas Corporation and Statoil are in the final stages of talks about the sale to Britain of gas from Norway's giant Sleipner field, with recoverable reserves of some 205bn cubic metres.

Surprisingly, even companies outside the oil sector say that the overall impact of the new industry has been favourable. Mr Olav Underhaug, managing director of Trallfa (industrial robots), says that at first some of the company's best people were "tempted away." Now, however, "we're over the hump," and local, traditional industry is benefiting from the new international atmosphere, and the boost in educational and qualification levels, which oil has brought to the district.

Kverneland, agricultural implements manufacturer, notes that the temporary labour shortage created by oil led it to begin recruiting women to its plant—a new departure that has proved wholly successful.

Now the city's problem is how to maintain its prosperity when the oil sector stops growing—or even shrinks, as exploration and production activities move northwards on Norway's shelf.

Mayor Kari Thu is optimistic. Stavanger has used the boom years to create a community where it is pleasant to live and work, with expanded research and educational institutions and infrastructure (like the English and French schools) which could attract international business and industry.

Mayor Thu believes the city can and must find new activities to supplement oil—"We must build on the advantages we have." Engineering services are a possibility—the Norwegian classification institution Det Norske Veritas has just moved into a brand-new building in Stavanger. Others, she suggests, are the creation of a science park, linked to the recently-established Rogaland Research Institute, or new high-tech industries based on the know-how already present in the area.

Interestingly, Statoil makes no secret of the fact that when the time comes it will be head-hunting among employees of other Norwegian shelf operator companies whose main fields have now passed peak production and will, in the 1990s, be nearing the end of their producing lives.

Its frankness has not been popular with the two companies which fit this description — Phillips and Elf. Both hope that events will enable them to maintain their present strength in Norway, either by finding new fields or through secondary recovery schemes, or satellite developments, that will prolong the life of their existing ones.

Location of Sleipner's transport and offshore supply bases also boils down to economics, Statoil says. Norsea and Norsco, the two supply bases already established in Stavanger, have the capacity to handle Sleipner's needs, so why establish a new one? Statoil will buy base services "where it is most economic," according to Mr Hakon Lavik for the company.

"If we should get the best bid from the company in Haugesund, that will be okay by us. The sailing distance from Sleipner is about the same to Haugesund as to Stavanger."

JONAS FRIESTAD

Mr Arve Johnsen (above) who is 50, holds degrees in both law and economics. His career with Statoil is the result of an historical accident. When Norway voted against joining the EEC, in a referendum in September 1972, Mr Johnsen lost his job. He had been deputy minister for industry — the ministry then responsible for petroleum matters — but the (Labour) Government of the day, which had favoured Community membership, resigned after the referendum result.

Shortly afterwards Statoil's board (appointed by the old Labour Government) offered him the firm's managing directorship, and he became its very first employee. Had the referendum gone differently, Mr Johnsen would probably have moved to a post in Brussels, and someone else would have led Norway's state oil concern.

PROFILE: ARVE JOHNSEN

In the driver's seat

MR ARVE JOHNSEN, head of Statoil since its start in December 1972, has masterminded the company's rapid build up, over the past 12 years, to an integrated oil concern with over 4,000 employees and operator responsibility for two of Norway's biggest new offshore projects, the Gullfaks oil and gas field development and the Statpipe gas gathering system.

Its turnover is the second largest in Norway and its profitability the highest of any Scandinavian-owned company in the world.

The Government's aim, in establishing a state oil company, was to create an instrument that could give Norway's leaders insight into the workings of the petroleum industry, and which would build up the expertise that would enable them to steer developments on the Norwegian shelf in the direction that would best serve national interests.

Mr Johnsen made this aim his own. His motto was that Norway should move from the passenger seat, offshore, into the driver's seat, as quickly as possible. Many young Norwegians who joined Statoil in its first years were placed in trainee jobs with foreign oil companies—just long enough to learn what the foreigners could teach them.

The few non-Norwegians recruited to fill specialist jobs—mainly geologists, geophysicists and drilling experts—were hired on relatively short-term engagements, more or less on the understanding that they would make themselves redundant by passing their knowledge to their Norwegian colleagues as quickly as possible.

This formula worked. Today, foreigners account for only about three per cent of Statoil's staff, and most of those are people who have acquired Norwegian ties, learned the language, and decided to settle in the country.

Among the company's employees are specialists in every petroleum discipline, and Statoil has now drilled more exploration wells on the Norwegian shelf than any other company, Norwegian or foreign.

Single-mindedness in the pursuit of his main goals is among the characteristics — say Mr Johnsen's admirers—which explain his success in shaping Statoil. Others are his abilities as a strategic thinker and negotiator—able to foresee the moves his negotiating partners will make even before they themselves have thought of them.

Mr Johnsen led Statoil's negotiating team both in the talks with the British Gas Corporation about the Sleipner field gas, and in those with other oil companies involved in the Statpipe development.

The deal that he achieved with BGC on Sleipner was approved not only by Norway's authorities but also by Statoil's partners on Sleipner, including the multinational Exxon (through its Norwegian subsidiary).

Under pressure from Whitehall, the sales agreement may now be slightly amended. At this writing a new round of talks was just starting; but Johnsen can be relied on not to give anything away.

NORWEGIAN PETROLEUM DIRECTORATE

Discreet supervisor

THE NORWEGIAN Petroleum Directorate (NPD), the technical and advisory arm of the Norwegian authorities on offshore petroleum matters, has been based in Stavanger ever since it was established in 1973. The decision to create the new body was taken by Norway's Storting on the same date — July 14 1972 — as MPs voted to set up Statoil, a state oil company.

The first decade of the NPD's life saw its staff increase from 40, at end-1973, to nearly 300, at the end of last year. Its growth has, if anything, lagged behind a rapidly rising volume of work. Its tasks are mainly two — the supervision of safety on the shelf, and the supervision of resources management.

Safety supervision involves verifying that oil companies work in accordance with Norwegian laws and regulations, and that their operations do not unreasonably hamper other activities, such as fishing and shipping.

The resources management aspect includes geological and geophysical surveying of the shelf, before licences are granted, as well as advising the authorities about which new areas should be opened for exploration, and when, and which field development patterns and transportation systems would best serve the country's interest.

NPD officials point out that the national interest may not always coincide with the commercial interests of the oil companies—not necessarily even with the interests of Statoil, the state's own company. In these situations, the Government needs the guidance which the directorate's independent expertise can provide.

In its early years the NPD, paying only civil service rates, suffered a constant brain drain to the far wealthier oil companies. Acknowledging the problem, the Government agreed to upgrade many key directorate jobs, and staff turnover has since slowed.

Even so, when it celebrated its 10th anniversary last year, only 15 of the original employees were still there to take part.

As well as high turnover, the directorate has had to contend with personnel shortages and a stringent budget. The numbers it has been authorised to hire have not always been enough to cope with the tasks allotted to it.

The state budget for 1984 provided a substantial extra allocation of funds — the first significant increase in the NPD's budget for several years. The money was earmarked for additional studies of the Troll gas field, and an extension of seismic survey work off the northern coast.

Staff expansion — involving about 20 new jobs—is likely in connection with the reorganisation of Statoil's role, expected to be approved by the Storting later this year.

When exploratory drilling began off the north Norwegian coast in 1980, the NPD opened a small regional office in Harstad. This will now be expanded, to handle the recent increase of drilling activity in the north, and given additional administrative and technical work. To date it has had a staff of only two (one part-time).

The directorate's headquarters will, however, remain in Stavanger — where, in the words of its board, it is "well established, and co-operation with oil industry representatives and the local authorities has found its natural form."

At present its operation in Stavanger is spread between two locations in the town centre. From next year it will move into a new building, now being built in the suburb of Ullandhaug, which will be able to accommodate all its personnel.

Efforts are being made to prolong the life of the complex

A boost for Ekofisk

EKOFISK, the first Norwegian petroleum field to come on stream, is now the centre of the most extensive development on Norway's shelf. To exploit the seven fields which make up the Ekofisk complex, operator Phillips Petroleum has drilled some 130 production and injection wells, and installed 22 permanent structures, including what was then the world's largest offshore concrete storage tank, and hundreds of kilometres of pipeline.

The six satellite fields—which, like Ekofisk, produce both oil and gas — are linked by 23 lines of varying length with the Ekofisk centre. From there, a 350 km, 34 in pipeline moves oil to Teesside in the UK, and a 440 km, 36 in line takes gas to Emden in West Germany.

Completion of this giant project took about a decade. Test production of oil and gas, using a converted jack-up rig, began in mid-1971, only a year and a half after Ekofisk was declared "commercial" — that is, worth developing. In this initial phase, which lasted until May 1974, gas was reinjected into the reservoir and oil was loaded directly on to tankers from floating buoys.

The second phase of development saw the installation of the concrete storage tank and the platforms of Ekofisk Centre, while in phase three the oil and gas lines were laid, a treatment plant installed atop the tank, and the satellites West Ekofisk, Cod and Tor were developed and linked to the centre. The oil line was commissioned in October 1975 and the gas line in September 1977. Eldfisk, Edda and Albuskjell were developed in phase four.

Along the way — in April, 1977 — an eight-day blow-out on one of the Ekofisk platforms had spilled an estimated 22,500 tonnes of oil into the sea. Although — miraculously — no one was hurt, the accident raised fears about the environmental hazards of offshore petroleum production. An official inquiry blamed it on human error, coupled with "inadequate organisational and administrative systems."

Rules and procedures were tightened up — the Norwegians' confidence in U.S. oil company know-how had taken quite a knock. One consequence of the accident was that the Government postponed for a time allowing exploration to start in north Norwegian waters.

During Ekofisk's first decade, oil prices twice rose sharply—in 1973 and 1979—boosting profitability and encouraging Phillips and its partners to consider a fifth phase, in which water would be injected into the main Ekofisk reservoir to stimulate the oil flow.

Although it still accounts for about half Norway's total oil and gas output, production from the Ekofisk area passed its peak in 1980, and has since been falling at the rate of about 15 per cent yearly.

The "waterflood" scheme, as it is called, will not arrest this decline but—by increasing the field's recovery factor (the proportion of oil in place that can be extracted)—will slow it down.

Phillips began studying the possible effects of water injection in 1978, even before the second oil price rise. In 1981 a pilot waterflood project was started, and results appeared promising. A year later, Phillips presented plans for a full-scale scheme, which was then thoroughly discussed and analysed, both by the participating companies and by independent analysts.

The companies' final conclusion—presented to the authorities in June 1983—was that although waterflooding would probably be successful technically, the return on the NKr 9bn (US$1.08bn) investment involved was too small to make it worth while. They proposed cancelling it.

Norway's government was keen to see the scheme go ahead, recognising that it would create employment in the fabricating industry (an extra platform would be needed), as well as yielding additional revenues from the extra oil produced.

For the first time in the country's oil history, it offered —if the companies would agree to go ahead—to recommend Storting (parliament) approval of certain changes in the tax regime which would significantly improve the project's economics. The actual rate of tax would not change, but earlier write-offs would be granted.

On these terms, the Ekofisk partners decided to put the scheme in hand. Contracts have already been let for the water injection platform and much of the necessary equipment. Several of these orders have been the subject of controversy, with Phillips reportedly being put under pressure by the Government to place them with Norwegian businesses, even when foreign bids were considerably more competitive.

In the final reckoning, because so much of oil company investment can be set off against tax, the Norwegian state will pay much of the extra cost of buying Norwegian.

Mr Jim Curzon, head of the waterflood project, stresses that there is still an element of risk involved. He adds, though, that on Phillips' "best engineering calculations, and based on what we know about the reservoir, we believe this will enable us to extract an extra 170m barrels, over 20 years."

Injection will start in 1987 and will begin affecting output three years later, in 1990. Thereafter, the licence for the field held by the Phillips group has 20 years to run.

What is the likely life of the seven Ekofisk fields? According to Mr Curzon, it is too early to say. If the waterflood scheme comes up to expectations, Ekofisk itself should be producing well into the next century.

Output on the other six fields is, however, also declining, and the cost of keeping North Sea platforms "safe and operating" is high, and rising. The steel structures take much punishment from the harsh environment, suffering fatigue stresses and corrosion.

Platform struts crack, and must be replaced, and large sums have to be spent each year on inspection for fatigue, wear and marine growth. Curzon says such inspection now represents one of Phillips' largest single operating outlays.

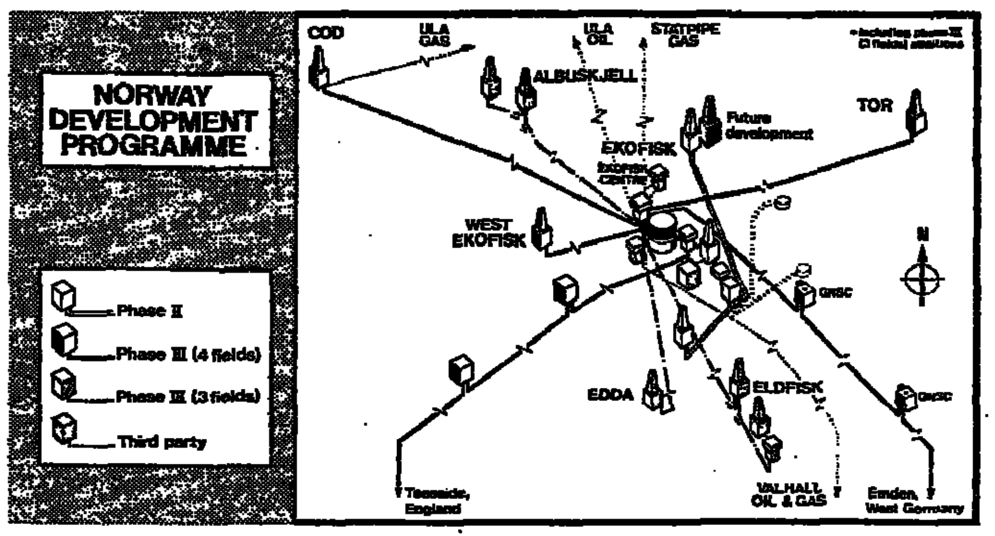
The company is constantly studying possible ways of getting more oil and gas from its acreage. Eldfisk, the second largest field in the complex, might also be a candidate for water or nitrogen injection to boost recovery, Mr Curzon suggested. It would depend on whether revenue from the extra oil produced would be high enough to justify the necessary investment.

One factor that could help prolong the field's life is its strategic position, at the junction of pipeline systems which now link fields in the northern North Sea with an oil and condensates terminal in the UK (Teesside) and a gas terminal at Emden, in West Germany.

The past couple of years have seen the addition to the Ekofisk centre of two "riser" platforms built by other operator companies which are using—or will use—the centre's facilities to process and transport their production. The Statpipe gas gathering system, operated by Statoil, and expected to come on stream early in 1986, will tie in to the Ekofisk-Emden line, while condensates from BP's Ula field will be sent from 1987 via Ekofisk to Teesside.

Oil and gas from the small Valhall field, in the southernmost corner of the Norwegian sector, are already being exported through Ekofisk.

While the treatment facilities on Ekofisk are wholly owned by the field's licensees, the Ekofisk lines to Emden and Teesside are owned by a joint venture company, Norpipe, in which the Phillips group and Statoil have equal stakes.



Frigg gasfield passes its peak

ON THE UK-Norwegian sector boundary, to the north of Stavanger but south of Bergen, lies the Anglo-Norwegian Frigg field—the source of about a third of Britain's gas supplies.

After Ekofisk, it was the second Norwegian petroleum discovery to come on stream. Like Ekofisk, it consists of a number of platforms performing separate functions—in contrast to the Statfjord field, further north, where each platform combines drilling, accommodation and treatment facilities.

Like Ekofisk, too, Frigg has been developed using base facilities in Stavanger—the Norsea base at Dusavik, next door to the headquarters of the Frigg operator company, Elf Aquitaine. Norsea is owned by Norcem, the Norwegian industrial concern, while Norsco, Stavanger's other important supply base, is a member of the Aker offshore fabricating group.

Frigg has something else in common with Ekofisk. It has passed its peak output. The field's depletion — including satellites—is expected to be complete by around 1993. By that time, if no new tasks have been found for elf in the southern North Sea, its payroll of Stavanger-based staff will have been considerably reduced from today's figures of about 1,000.

Of this number, about 16 per cent are French and nine per cent British, the remaining three-quarters being Norwegian. Working language at the Stavanger office is English.

At present, as well as running Frigg, Elf is operator on one field development project —the small Heimdal gas field, 32 km south of Frigg—recoverable reserves an estimated 31 bn cubic metres. This is expected to come on stream in 1986, with an expected production life of about 10 years.

Heimdal's development was shelved, for a time, owing to low gas prices, but the project was revived when plans for the Statpipe gas gathering system were finalised. The Statpipe network, starting from the Statpipe field north of Bergen, and running, via a Norwegian land-based terminal, to the Ekofisk centre, will include a spur to Heimdal.

Elf has also announced, this month, the probable development of a second Frigg satellite, East Frigg. On August 1 it said that its partners on the blocks involved (25/2 and 25/1) had agreed to declare the field "commercial," and that an application for Norwegian Government permission to land East Frigg gas would probably be lodged later this year.

East Frigg is believed to have recoverable reserves of about 9bn cubic metres—the same as another satellite, North East Frigg, which started production last December. East Frigg could be producing by end 1988, and would be depleted, with the main Frigg field, by 1993.

Like north east Frigg, East Frigg will be exploited using "subsea completions"—that is, wells with well-heads on the sea bed, instead of on a platform deck well above the sea's surface.

Sub-sea completions are cheaper both to install, and to run, than conventional platforms, since they are operated by remote control from some other centre which has to be manned anyway (in the case of the Frigg satellites by personnel on the main Frigg field).

North east Frigg, although without a production platform, has a "field control station"— an articulated tower, normally unmanned, containing equipment to convert electrical signals from the main field into the hydraulic pressures which operate the subsea gas production valves. This configuration, devised by Elf's experts, was the first of its kind in the world, the company claims.

East Frigg may be developed using even more advanced technology, developed by Elf in cooperation with various Norwegian industrial concerns and research institutes.

PROFILE: NORWEGIAN CONTRACTORS

Home of the Condeeps

ONE OF the trademarks of the oil age in Stavanger's harbour has been the soaring concrete towers of the Condeep offshore production platforms built by Norwegian Contractors at Hinnavågen, their fjordside construction site.

The Condeeps, designed by Norwegian experts in concrete construction, are a major success story for the country's civil engineering industry. Seven of them have been delivered by the company to date — including three for installation in the UK sector of the North Sea — and three more are on order.

In addition, Norwegian Contractors has built two other North Sea platforms to the design of a French company C-G. Doris — the Ekofisk One storage tank (which later became a platform, when production facilities were installed on top of it) and the Frigg CDP 1 gas compression platform, converted to a drilling platform.

Norwegian Contractors was established early in the 1970s as a joint venture by Norway's three largest civil engineering and contracting companies— Thor Furuholmen, Hoyer Ellefsen and F. Selmer. It is now effectively a partnership between two groups; Selmer and Furuholmen merged, from mid-February last year, and the new merged company holds two-thirds of the stakes in NC.

While Norwegian Contractors' first construction, the Ekofisk tank, was ordered for a Norwegian field, the first three Condeeps all went to the UK sector — one to the Beryl field (installed 1975), and two to the Brent field (installed 1975 and 1976).

The choice of a Condeep for the first platform for Norway's Statfjord field was determined mostly by the situation at the time, late in 1973. Mobil, the field's operator, was in a hurry to bring the field on stream, most fabricating companies' order books were full, and Mobil had an option with NC on a second Condeep for Beryl. It decided to take this up for Statfjord instead, and the platform was installed by 1977.

There were problems and delays over this first Statfjord platform (Statfjord "A"), but these concerned the steel superstructure (built by the Norwegian Aker shipbuilding and fabricating group), and were caused mainly by the fact that construction was started before designs had been finalised. The concrete base, for which NC was responsible, was ready on time and within budget.

Condeeps were chosen, too, for Statfjord B and C—the main difference in design being an increase in storage volume and the addition of an extra support shaft, or pillar. The first two platforms for Statoil's Gullfaks field (A and B), and the first platform for Norsk Hydro's Oseberg field, will also be Condeeps.

The Condeep design consists, basically, of a cluster (caisson) of storage cells at the base, three or four of which are extended as shafts to support the platform deck. These shafts also accommodate drilling strings, production pipelines and mechanical equipment.

Condeeps are gravity structures—that is, their own weight, with a low centre of gravity, keeps them upright on the sea bed. This means that they do not have to be piled into place, as is the case with steel "jackets" (platform support frames).

Another advantage claimed for Condeeps, compared with steel structures, is that they are virtually maintenance-free. While the steel girders of offshore platform jackets corrode and crack from fatigue, the concrete pillars of a Condeep simply become harder and harder with age.

The storage cells at the base are another useful feature, allowing production to continue for a time even if there should be a temporary breakdown in transport facilities.

Probably the greatest single attraction of Condeeps, however, is that they can be virtually completed before tow-out to the field. The concrete base is built at a construction site inside a fjord, with all infrastructure on land. The steel decks can be built onshore, and mated with the base inside a sheltered fjord. The whole structure, base and deck, can then be floated out to sea, using the buoyancy of the storage tanks in the base.

Labour requirements fluctuate widely in the different phases of a Condeep's construction. Manning levels peak when the honeycomb of storage cells is taking shape. These are built the same way as the towers, using a concrete construction process known as slipforming.

Over 1,000 men are needed to mix the concrete, push it in wheelbarrows to the sliding forms, and tip it into place. For this reason, NC times construction of the caissons for the summer months, when it can recruit hundreds of students to push and pour.

Its permanent staff numbers about 700, including 400 blue collar employees, based at Hinnavågen, and the rest administrators, engineers and so forth. About half of these work at the company's Oslo office. It is also a partner, with Bredero, in a joint venture (BNC) which operates a pipe-coating facility in Amnelsnes, inside a fjord further up the coast.

NC's Condeeps have grown in size, as production has moved into increasingly deep waters. Now it has designed a giant version of the platform — the Condeep T 300—which is among the alternatives being considered for Norway's giant Troll gas field, where water depth is 340 metres—well over twice that of Statfjord.

If it should land this order the T300—about one-third higher than the Eiffel tower— would be built not in Stavanger but in Vats, the deep water fjord site, a little way up the coast, where the other Condeeps have been mated with their decks.

Crucial time for Rosenberg

While the Aker group built the deck of the first Statfjord Condeep, Stavanger's Rosenberg yard, a member of the rival Kvaerner group, was chosen to build the decks of both the second and third platforms (B and C).

The Statfjord contracts came at a crucial time for Rosenberg. It had previously specialised in building large tankers and gas carriers. By the late 1970s, however, there was a glut of supertankers and the Japanese —main customers for LNG carriers—wanted to build these in their own yards.

The Condeep orders have kept Rosenberg prosperously employed for six years, enabling it to transform itself from a shipyard into a modern construction plant for offshore installations.

Comprehensive expansion, modernisation and new building has been carried out. A new surface treatment plant has been built, and a new pipe shop established, with highly automated transport systems. In the plate shop, special equipment has been installed for profile production and the welding of large girders. By 1983, investment in these new facilities had reached NKr 375m.

With the completion of Statfjord C, towed out to the field two months ago, the question for Rosenberg is "what next"? It has some work in hand—offshore hook-up on Statfjord C, pipeline work on the Statfjord field, piping installation at the Kårstø gas terminal, mechanical installation of the utility shaft on Gullfaks "A," and production of modules for both Gullfaks A and BP's Ula field platform. The fact remains, however, that it will have some spare capacity from the autumn of 1984.

Major Norwegian projects now in hand, which could result in significant orders for Rosenberg, are the Gullfaks B platform and the Oseberg Condeep. The relevant contracts will be awarded this autumn or early next year. The yard, and its 1,600 employees, will be waiting anxiously for the oil companies' verdict.

ASK STAVANGER people to name important and interesting local companies in the non-oil industry and the chances are you will hear the same three mentioned every time — Kverneland, Trallfa, and Øglænd. All are to be found in the district just south of Stavanger — Jaeren — where a wide range of light industry prospers in scattered sites amid the rolling, sandy farmland.

The three make very different products, but they have this in common —they were founded by local men, a generation or two ago, developed initially as family businesses, and have now made the transition to being public companies. All three founders had their roots in the farming community, and were driven by the strong work ethic that still dominates this part of Norway today, despite the sharp improvement in living standards since their respective companies started operating.

KVERNELAND GROUP

Ploughing for profits

THE KVERNELAND group, established in 1879 by blacksmith Ole Gabriel Kverneland, is Norway's leading manufacturer of farm implements, exporting 85 per cent of its output — and one of the world's largest producers of ploughs. Group turnover has soared during the last decade and a half — from only NKr 70m (U.S.$8.44m) in 1970, to just over NKr 330m in 1980 and NKr 579.2m last year. In 1983, pre-tax profits were NKr 51.5m —NKr 19.2m up on a year earlier. The group employs 1,200 —300 of them working for its subsidiaries abroad.

When Kverneland floated a new share issue on the Norwegian market, a year ago, the offer was nearly 30 times oversubscribed — in spite of the fact that the shares were priced at 800 per cent of par. Lists —originally due to remain open for two weeks — closed after only two days, when 30,000 investors had offered to spend about NKr 1.4bn.

The issue gave the general public its first chance to secure a stake in the fast-growing company. Until then, most of its shares had been owned by descendants of Ole Gabriel. About two-thirds of them still are.

How has it come about that *a business started by a blacksmith* in a remote corner of Norway, and making something as prosaic as agricultural tools, has been able to expand so rapidly, and win market shares in more than 20 countries, on five continents? High quality appears to be the answer, coupled with an aggressive intelligent marketing strategy.

The Jaeren region has a milder climate — and thus a longer growing season — than most parts of Norway. But its farmers have always had one handicap to contend with — the local soil. Dumped there by receding glaciers at the end of the last ice age, it is cluttered with stones of all sizes—from pebbles to boulders. Visible evidence of this are the dry stone walls which criss-cross the landscape.

Ploughs that could cope with Jaeren ground had to be stronger than usual. This led Kverneland to develop special techniques for hardening the steel used in its implements. Pre-hardening meant that less metal could be used to achieve *the same strength, so that* Kverneland tools were both tougher, and lighter, than most of those on the market.

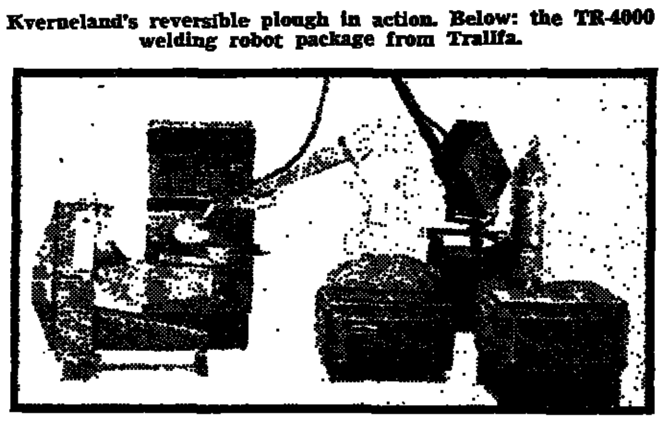
After decades of success supplying Norwegian farmers, the company began exporting in the 1950s. This was the start of its remarkable *growth.* From 1955 to 1960, turnover doubled, to NKr 20m. In the 1960s it began replacing its agents abroad with marketing subsidiaries, because it felt this gave it better control of sales strategies.

Kverneland now has wholly owned offshoots in the UK, Denmark, Sweden, France and Ireland, and stakes in others in Austria, Spain and Ireland. It is negotiating to buy a 33 per cent share in a Canadian business. With the independent Norwegian airline Braathen it is a 50-50 partner in a data processing company, Jaerdata, which handles both companies' data processing requirements. It has two manufacturing plants in Norway, and one in Denmark.

Output includes a wide range of ploughs, harrows, forks, stone-clearing equipment and a relatively new item — excavator teeth. Kverneland started making these only ten years ago, exploiting its know-how in steel treatment to turn out what *it claims is an exceptionally* long-wearing product. As they became known on the market, orders for the teeth began pouring in, and they are now one of the company's best sellers.

An important element in Kverneland's marketing strategy is its constant, two-way communication with its customers. According to Mr Johann Salte, marketing director, a couple of thousand from all over the world visit the main plant at Kverneland in Jaeren every year.

Kverneland's reversible plough in action. Below: the TR-4000 welding robot package from Trallfa.



TRALLFA

Leader in field of robots

A LARGE proportion of them are working farmers — "They tell us what they want, and we adapt our products to meet their needs."

Tailoring products to meet customers' requirements is also an important part of the philosophy of Trallfa. This company started life a good deal later than Kverneland — its founder Nils Underhaug was, in fact, a grandson of blacksmith Ole Gabriel Kverneland.

A mechanic and inventor, he got his business going in 1941, when the country was under German occupation and virtually everything was in short supply. There was, however, good demand for the simple transport equipment which his first factory made — trolleys, handcarts and wheelbarrows.

In the mid-1960s Trallfa moved into the manufacture of industrial robots — the product for which it is now best-known. The first one was developed to spray paint on the wheelbarrows which were then its main product.

Since then, turnover has soared. Today, world output of Trallfa robots — including licence production in the U.S. and Japan — amounts to some 600 units annually. Sales last year by the robot manufacturing subsidiary Trallfa Robot accounted for NKr 74m (61.8 per cent) of the group's NKr 119.7m turnover. The group payroll, including overseas staff, numbers 258, of which almost a fifth are engineers.

Motor market

The car industry and its sub-contractors in Europe, the U.S. and Japan represent about half the market for the company's robots. The other half goes to firms making white ware and furniture, mechanical equipment of various kinds (there are Trallfa robots in the Kverneland plough factory), and to metallurgical plants.

In Europe, Trallfa claims a market share of 60 per cent in the field of surface processing, and in West Germany and the UK, 70 per cent and 90 per cent, respectively. Even in Japan, its share of the market is 50 per cent.

Trallfa started out making wheelbarrows — and these are still an important part of its product range. It turned out 250,000 last year, together with 100,000 snow clearers (a kind of twin-handled, sliding shovel). They are made by another subsidiary, Trallfa Transport, at two fully automated plants opened during 1983 — one in the company's home town of Bryne in Jaeren and the other in Malaysia.

The latter — which makes wheelbarrows only — was established mainly to sell to the U.S. market, where Trallfa Transport has a marketing subsidiary. Trallfa Transport contributed about 22.3 per cent of group turnover in 1983.

The concern's third subsidiary —accounting for about 15.9 per cent of its turnover last year —is Trallfa Access. Established only two years ago, this designs and sells what it calls "active access products" — mobile work platforms for a wide variety of uses, as well as non-motorised transport equipment (trolleys, both standard and specialised).

Sub-contractors

Although designed by Trallfa's own engineers — and often specially adapted to meet users' needs — Trallfa Access products are not actually manufactured by the company. Small work platforms and special trolleys are made by local sub-contractors, while the other equipment is imported—from leading manufacturers in the U.S., West Germany and Sweden.

Trallfa has recently invested heavily in product development —a new generation of industrial robots — as well as new production facilities, using capital accumulated over the years. At the same time, older unprofitable activities have been wound up, and the company has been restructured. The previous operating company, Trallfa A/S, has become a holding company for the group's three main subsidiaries—Robot, Transport and Access.

With this reorganisation out of the way, fresh capital may be sought to finance future activities. Trallfa Robot, in particular, is considering a share issue to outside interests — possibly some time next year. At present it is a 100 per cent indirectly owned family business.

JONAS OGLAEND

From metals to clothing

THE THIRD company in the Jaeren trio, Jonas Oglænd, is also the oldest, the largest, and the most complex. Employing about 2,000, with turnover last year of NKr 900m, it has a metal division which operates Scandinavia's largest bicycle factory, as well as making mopeds, physical training apparatus, motor saws and industrial fittings — mainly cable tracks for factories and offshore platforms.

Another division "Pioner," runs two clothing factories, producing jeans and work clothing, and a marketing subsidiary in the UK, Jonas Oglænd (UK) Limited, while the chain/retail division controls — largely on a franchise basis — Norway's largest retail clothing chain, "Cubus," as well as running a *furniture shop, and food shop.*

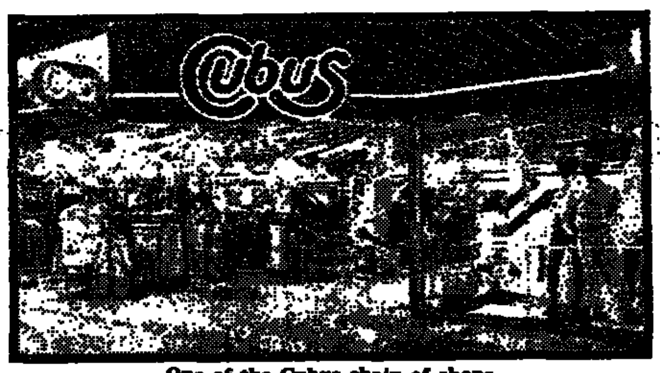
It has also recently opened two specialising in household textiles and interior decoration items, under the brand name "Casa." This could develop into a new chain of franchise outlets on the "Cubus" pattern.

The retail division markets both the group's own products *and imported clothes.* Many of the latter are bought through a wholly owned subsidiary in Hong Kong, but a large share also comes from European makers — in Denmark, the UK, Finland, Portugal and Italy.

The other main activity, handled by Oglaend's agricultural division, is the sale of animal feedstuffs and fertiliser. There is also a real estate division and a small, wholly owned finance company, O-Service, which acts as agent for Norway's largest insurance group, Storebrand Norden.

This diverse collection of enterprises has evolved from a country general store opened in 1868 in what was then the tiny village of Sandnes, now a bustling little town about 20 minutes' drive from Stavanger. Behind the counter was the company's founder, Jonas Oglænd. Since then the business has been gradually extended, by successive generations of Oglands.

It went public in 1966, when it got its first managing director from outside the clan. There are still, however, a good sprinkling of family names in the concern's upper echelons. Personnel policy aims, moreover, at maintaining the feeling of employee loyalty and active participation which often marks family businesses and which, *Ogland says,* has been its greatest single asset since it started.



One of the Cubus chain of shops

ROGALAND RESEARCH INSTITUTE

Rapid growth of projects

AN OIL DRILLING rig which will never find either oil or gas is a new landmark in the suburb of Ullandhaug, on the outskirts of Stavanger. It belongs to the *petroleum research centre of* one of Norway's newest scientific research bodies—the Rogaland Research Institute (Rogaland is the county of which Stavanger is the capital).

Established in 1973, on the initiative of local industrialists and regional authorities, the institute's aim is to conduct research in areas that are particularly relevant to the needs of the district's industry, economy and social and cultural life.

Apart from the petroleum research centre it comprises a centre for product and systems development (mainly serving industry), a centre for sociological research, and a water analysis laboratory.

The Institute's rapid growth, since its foundation, indicates that it is successfully filling the *role envisaged by its backers.* Started with a handful of staff, it now employs around 150. Its earnings from contract research last year reached NKr 40.1m (US$4.8m), more than four times the NKr 8.4m achieved in 1979 and about 50 per cent up on a year earlier. It has just moved into new premises in a building adjacent to the Rogaland Regional College, with which it co-operates closely and from which it had previously rented accommodation.

Mr Tore K. Alfsen, the managing director, 35, proudly points out that R.R.I. is virtually self-financing, through contract research—only about 3 per cent of its annual budget comes from public funds. Free-spend*ing oil companies have, of* course, helped increase revenues. At present oil company-backed projects account for about 70 per cent of the Institute's turnover.

The oil companies have also contributed significantly to funding the facilities of the petroleum research centre. Its new drilling technology laboratory, which includes the drilling rig mentioned above, is a joint gift from Norske Shell (NKr 79m) and Statoil (NKr 15.5m). The money covers both the build-up of the lab facilities and a four-year initial R & D programme. From April 1986, the DTL aims to be self-supporting.

The function of the land-based rig—which is a full-scale copy of a conventional, offshore drilling rig—will be to study and test both drilling methods and new and existing oil drilling equipment.

The industrial designers employed by equipment makers regard many of today's offshore tools as pretty primitive—particularly drilling gear. They are itching to design new versions that would, they claim, be both safer and more economic. Increased automation in handling the actual drill would, for instance, cut the accident rate (no more crushed hands and fingers), while allowing the rig to be operated with smaller crews.

Operator oil companies are, however, conservative about introducing new technology. They know that the old machinery works, while new *devices* might break down and cause costly production stoppages. The Ullandhaug rig will permit new equipment to be tested under realistic conditions.

Sometimes the aid of the institute's sociologists and psychologists is enlisted in oil-*related research. One of its* projects aims at improving the instrumentation of drill-rig control rooms, so that operatives will be able to react more quickly to emergencies.

This has involved videotaping men "working" in a highly realistic drill rig control room simulator. Their behaviour in simulated crisis situations is then analysed by the humanists, in co-operation with technicians who can evolve better ways of presenting the critical information—graphically on a computer screen, perhaps, instead of via a multitude of old-fashioned dials.

This is an important area of study. The Three Mile Island nuclear plant disaster was, after all, caused by a breakdown in man-machine communication.

Industrial, non-oil research *carried out by the* institute over the past few years has included optimising the design of a robot (for a local business, Trallfa), which can polish the blades of ploughs (made by another local company, Kverneland). Other industrial projects have employed disciplines rang*ing from market research to* information systems analysis, from servo technology to micro-processor technology and electronics generally.

Industrial development

A new venture in which RRI will participate is due to be launched this month. Dubbed Rogaland Industrial Development, it is also being backed by the largest regional commercial bank, Rogalandsbanken, by Elf Aquitaine, the French oil company, the Rogaland County Industrial Association, and the Rogaland County authorities. Its purpose will be to foster the development of new high-tech companies, or divisions of existing companies, that can settle in the area and use the facilities the institute has to offer.

The idea is to create a kind of "science park"—a smaller scale version of those that have grown up around Scotland's Herriot Watt University, or the Stanford Research Institute in *California.*

OFFSHORE NORTHERN SEAS

Exhibition expects 30,000

OFFSHORE Northern Seas (ONS), which opens in Stavanger today for a four-day run, is an international exhibition and conference held here every other year since 1974. Now claimed to be the second largest event of its kind in the world (outranked only by Houston's annual Offshore Technology Conference — OTC) it has grown strongly since its debut, a decade ago, and is this year expected to attract between 25,000 and 30,000 visitors.

Although Stavanger has grown, too, the city's accommodation and service superstructure will — as usual — be stretched to the limit while ONS is in progress. To help out, exhibition organiser Stavanger Forum operates a central booking agency for all hotel accommodation, as well as arranging rooms in private homes. This year it has rented 700 houses, which it re-lets to firms.

Floatel

It has also chartered a large accommodation platform — the Swedish-owned "Safe Gothia" — which, with its 262 two-berth cabins, will provide many badly-needed extra beds for weary oilmen. The floatel will be moored in Vagen bay, in the heart of the city — as handy as any downtown hotel.

The products and services of around 650 businesses and institutions will be displayed in the exhibition area, which this year *has been twice expanded — to* 15,000 square metres — to meet the high demand. First, a new temporary hall with 2,700 square metres of net stand space was added, with reorganisation of the existing area at the Siddis Centre show site. This was followed up with the provision of a separate 400 square metres of space in another temporary building, which will house the U.S. national display.

Ten other countries, as well as the U.S., are presenting national group stands this year — Britain, Belgium, Canada, Denmark, Finland, France, Italy, the Netherlands, Sweden and West Germany.

Exhibits cover a vast range of products and services — but all must have some direct connection with the offshore industry. "We are very specific on *this point,*" *says* managing director Per Olav Hansen.

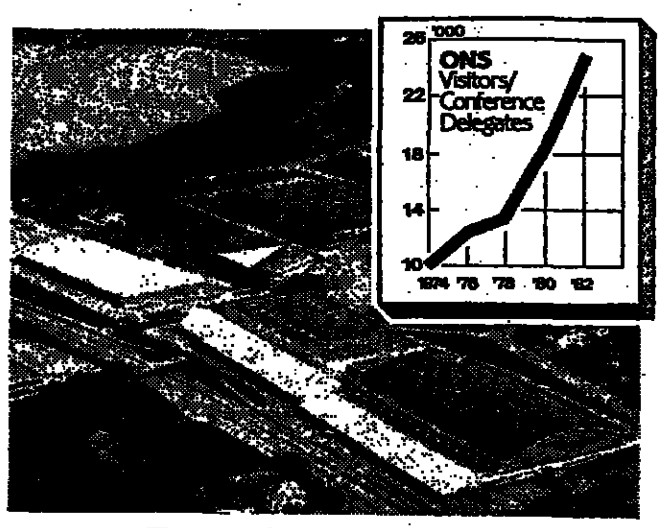
Visitors are also restricted to people directly involved with the offshore industry. The general public is not admitted, and "only certain categories of students," according to Mr Hansen. "The quality of our visitors is more important to us than the number we might attract if we were less exclusive," he added.

The oil companies which are the main customers for ONS exhibits have their own stands at the show.

These present the results of their research work and the new technology they are developing to meet the challenges of operation in ever deeper waters and harsher climates.

Parallel with the exhibition are a series of conferences. This year's programme includes a general conference, extending over the four days ONS is open, and four special conferences, on different days. Theme of the general arrangement *is* "uncertainties and innovation—the management of northern offshore resources." Topics being dealt with at the special conferences include improved offshore recovery, sub-sea technology, reservoir geo-modelling and hydro-carbon transport systems.

Scenes from the ONS exhibition will be presented to U.S. and Chinese TV viewers as part of a series on Stavanger and Norway's offshore industry. The U.S. cable networks taking this series will show today's opening ceremony live.



The exhibition centre in Stavanger

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South Africa and its poll

SOME thirty years after the Coloureds (mixed race) of South Africa's Cape Province were removed from the common electoral roll, they are back at the polls tomorrow. It is an indication of the tortuous nature of the Republic's politics that the same government which disenfranchised the *Coloureds is now attempting to* bring them, together with the Indian community, into the political system under a new constitution which the government hopes will resolve the country's racial tensions.

The constitution, approved only by the White electorate at a referendum last November, provides for a parliament with three racially segregated chambers representing the Whites, Coloureds and Indians under an executive state president almost certain to be the existing prime minister, Mr P. W. Botha. The shortcomings of the sytem, to be introduced next month, are evident. The 20m Black majority has no place in the new parliament.

South Africa's determination to continue with this discrimination suggests that no fundamental change is under way. But the debate which has accompained the introduction of the new constitution may prove to be an unexpected factor towards such change.

The most profound result of the debate is that the Afrikaner community, once almost totally united in its support of the ruling National Party, is today divided.

Alliance

The division poses no immediate threat to the government, for White elections are up to five years away. But in future the party will rely for success on an alliance with the country's English speaking Whites, among whom some businessmen are pressing for more substantial political and economic changes than those encompassed by the new constitution.

The election campaign itself has begun to undermine at least one of the laws upon which apartheid is based: the Political Interference Act which limits party membership to racial categories. The two leading Coloured and Indian parties contesting the election have both blunted its edge by publicly supportig nominally independent candidates of other races.

The impact on the Black community has also been significant. The combination of a new *constitution which firmly closes* the door on access to central government and the non-aggression pact with Mozambique which dealt a severe blow to the exiled African National Congress has been a jolt.

Turn-out

Although the Coloured, and to a lesser extent, the Indian communities are divided about the merits of participation under the new constitution, the parties standing have expressed determination to use the assembly as a platform for their criticism of paratheid. While the final say will rest firmly *with the state president, the* government may have to face the embarrassing spectacle of an alliance between Coloured, Indian and White opposition MPs which could win a majority in parliament.

The first test for the new constitution is the turn-out at the polls tomorrow, and next week, when the Indians vote. Nearly two thirds of eligible Coloured voters and nearly 90 per cent of the Indians have registered. A high turn-out will suggest that the government has won a degree of support for its reforms, but that will not be the end of the matter. Despite the economic recession, the government will be freed with the new parliamentarians' demands for a fairer share of the national cake, in the form of education, housing and social services.

A poor response, however, will mean that the credibility of the new system is damaged, and the United Democratic Front, a bread-based coalition of groups opposed to the government and calling for a boycott of the elections, will claim victory. There is no clear end to the process now begun, but the new constitution may move South Africa further and faster down a path of genuine reform than its architects envisaged.

Common market in cars

The prolonged existence of large price differentials for identical commodities does little for the reputation of what is supposed to be a Common Market. So it is not surpising that, after much prodding by consumer organisations, the European Commission is moving toward a partial solution of the row over car price differentials in the EEC. Next month officials from the member-governments will meet in Brussels to review once again the Commission's draft regulation on car distribution and servicing agreements. It appears that, after opposing earlier, stiffer forms of the regulation, the UK government now supports its broad thrust.

This is good news as the present proposal represents the bare minimum necessary to thwart the anti-competitive instincts of European car makers and to give consumers—particularly in Britain—a better deal. The sluggish UK car market, where near-universal discounts of 10 to 15 per cent have made a mockery of list prices, and the drift down *fo sterling, may have wrongly* convinced some that explicit action to narrow car price differentials is no longer neecessary. It is: the European Bureau of Consumer Unions reckons that, as of July, car prices in Britain (net of tax) were about 30 per cent higher than in Belgiuf and nearly 20 per cent higher than in West Germany, where per capital incomes are much higher.

The Commission's latest proposal has two main elements. First, the ability of citizens of member states to shop around the Community would be enhanced by theso-called 'full-line availability" condition. In effect, this would oblige dealsrs to supply customers (or intermediares with writen contracts) from any other EEC country with a car at the local net of tax price. Small premiums would be payable to reflect the cost of meeting the different specifications (*for example*, right hand drive) required by buyers from different countries. As it is, manufacturers have effectively clamped down on the supply of cars on the Continent for personal import into the UK through such ruses as surcharges, ridiculous delivery times and refusal to meet specifications.

The second strand is the so-called "12 per cent rule" that has caused so much controversy. Car manufacturers have been able to charge very different prices for identical vehicles in different Community countries largely because of their selective dealershsip distribution system. Each manufacturer has long enjoyed its own exclusive dealer network through which new cars must be bought and which subsequently supply spare parts and servicing. Manufacturers have control over the location and number of dealers and can ensure that prices are charged in one market that would be uncompetitive in another.

If the European Commission and member governments were really serious about competition they would question the validity of a dealership system that is capable of maintaining artificial price differentials in what is supposed to be a C.mmon Market. Consumer organisations find little evidence that the franchised dealers provide a better after sales service than the non-franchised. The restriction on the number and location of dealers and the fact that they can supply only one make of car probably raise both the cost of cars and servicing. It seems to rule out the practical possibility of marketing cars through supermarket chains like other consumer durables.

Instead, the Comission proposes to grant the car distribution system a block exemption from EEC competition laws provided the car manufacturers cease to exploit their power as blatantly as in the past. The Commission regards the big differentials in car prices as evidence that the system has been exploited and wantes differentials in future to be kept to within 12 per cent over a six-month period. If British car prices were to exceed the EEC's lowest prices (excluding countries where there is government interference through, say, price *controls) for more than six* months, the Commission would instigate an investigation and, in extremis, remove the block exemption from the offending manufacturer.

The Eurocrats are attacking the symptoms rather than the cause of price differentials. It might be better to attack the impediments (the exclusive delaerships) that prevent market forces bringing prices into line. But the plan represents a reasonable compromise and, provided it is not further watered down, deserves support as an interim measure that will avoid the worst excesses of the past. It should encourage the present trend toward lower car prices in the UK. The effect on the profitability of British manufacturers will not necessarily be adverse since sales might then revive and there would be a greater incentive to reduce costs.

KEY PAY SETTLEMENTS

Group	Pay rise %	Group	Pay rise %
STILL TO SETTLE		**FORTHCOMING**	
Miners	5.2 offer	September	
Civil servants	4.5 offer	Police	4.8 offer
Teachers	4.5 offer	Scottish & Newcastle	7 deal
Gas staff	3.5-4.8 offer	Vauxhall	
		Leyland Vehicles	
NHS		October	
White collar	4.5 offer	Shell (Shellhaven)	
Ambulance	4.5 offer	Rolls-Royce (Derby)	
Ancilliary	4.5 offer	Metal Box	
		Tate & Lyle	
DEALS REACHED IN AUGUST		November	
Smiths Industries	6+0.5	Engineering industry	
N Ireland Construction	5.7	Local authority manuals	
Halifax Building Soc.	5.75	Miners	
Lock industry	5	Ford	
Gillette	7	Firemen	
Vehicle Building	3.8	BL Austin Rover	
Littlewoods	7	Jaguar	
Caterpillar	8.5		

Britain's new pay round

In the long shadow of the miners' strike

By Philip Bassett, Labour Correspondent

A NEW PAY round is about to open in Britain—but unfinished business from the last is casting a long shadow over the negotiations and posing a major threat to the Government's hopes of reducing the level of wage settlements.

Much the largest shadow is that of Mr Arthur Scargill, the miners' president; to a considerable degree, the prospects for pay in 1984-85 are still dependent on the outcome of the miners' strikes.

But, in addition, the Government still has to resolve several pay problems hanging over from thet 1983-84 round — mainly in the public sector.

And this at a time when economic analysts are surprisingly unanimous in forecasting settlement levels for the coming round well above what the Government would like.

Pay problems are still by far the largest single cause of strikes in Britain (45 per cent) and the underlying rate of *strike activity (apart from the* miners' dispute) is rising.

Nevertheless, pay negotiations are not seen by either management or unions as quite the life-or-death struggles they have been in recent years.

On the union side, perceptions have been softened by the fact th.t those who have managed to stay in work have done well: wages, especially but not exclusively in the private sector, are still outstripping price increases (see graph).

Inflation, currently running at 4.5 per cent, is seen by some analysts as less of a factor in pay negotiations. However, another school—which includes the influential Incomes Data Service (IDS) pay research company—argues that, because inflation is lower, relatively small changes in the retail price index will have a disproportionate impact on pay expectations.

Employ.rs too appear somewhat more sanguine about pay negotiations, with some arguing that wages can be a relatively small part of a company's total costs.

However, the CBI is less relaxed. A confidential document which forms its pay and productivity presentation for 1984/85 says: "generous settlements can decimate profitability. For companies as a whole, 1 per cent saved on the pay bill in 1983 would have meant 6 per cent on profits."

Away from the theory, though, there is little in the last pay round from which *either the Government or* employers can take much comfort. In the public sector, settlements were almost universally higher than the Government's effective pay target of 3 per cent — its so-called "cash limit pay p lanning factor." Most deals were about 4.5 per cent or more, while the nurses and others governed by pay review bodies settled considerably higher.

Private sector agreements were even greater. Most analysts put them at about 6-7 per cent. Some were very high — for example, rises of up to 12.2 per cent in a two-stage, 12-month deal at TI Raleigh in Nottingham, and up to 7.9 per cent in a differentials-based deal at GKN Sankey in Telford.

Some employers, such as Mobil at Coryton with its novel flexibility deal, managed to secure changes in working practices. But, as IDS notes, such low-cost changes may become more difficult to obtain as the economic climate improves.

Felixibility apart, none of this is what the Government wants. Mr Tom King, the Employment Secretary, is worried that the latest figures show the UK's costs to be slipping out of line with those of its major competitors. "Pay settlements are crucial to achieving lower inflation, regaining the jobs which have been slipping away from us for so long and re-*building a prosperous economy,*" he says. The CBI calls, in its internal paper, for settlements to be brought "firmly" down below 5 per cent. According to its own figures they were running at 6.1 per cent in the first half of this year.

Pay forecasters agree that this will be difficult, if not impossible. As the small table shows, most expect the Government's and CBI's hopes to be disappointed. Earnings increases will remain roughly at their present level and few of the forecasters can see any factors likely to exert a downward pressure on pay in the round just opening.

The Government's non-interventionist approach is likely, once again, to leave the private sector to market forces, even if the result is higher pay deals than ministers would like to see. But it is in the public sector that the Government is likely to face its most awkward problems.

This is partly because the outcome of the miners' dispute is likely to have more impact on the public sector than anywhere else, assuming that the strike is settled during the comping pay round.

While the political importance of the outcome is not in doubt, its likely impact on the more narrow questions of wage rates has analysts divided.

There is general agreement that however the strike is resolved, is it likely to be important in determining general trades union attitudes—particularly if the miners are seen to be beaten. In those circumstances, so the theory goes, other unions are likely to be more wary of prosecuting their claims, on the principle of: "if the miners can't win, how can we?"

But opinions are divided over the impact of a miners' victory. Some analysts believe the miners would be regarded as a special case; others say the boost to union morale and militancy would override this and translate into bigger pay claims.

The miners apart, the Government also faces some other potentially disruptive and damaging difficulties in the public sector:

● Public and private sector pay comparisons. For the fifth year running, the Government is trying to maintain, or even widen, the gap between public and *private sector pay, with an* expected cash limit pay factor again this year of 3 per cent.

Some public sector trade union leaders draw some comfort from this figure. They believe Minisetrs now recognise it is not practically possible to go below last year's 3 per cent limit, given how widely it has been ignored. But they also feel the Government will want to try all the better this year to hold increases down closer to the pay factor—and that could *lead to problems.*

New evidence about pay comparability bears out their concern. Even in the private sector, the CBI is warning "comparability problems are low—but may be increasing." An unpublished survey by the Policy Studies Institute shows that 78 per cent of public service *workers think* that others are doing better than they are over pay; in the private sector, only 64 per cent feel the same way. More than half—52 per cent—of public sector workers were not shatisfied with their pay increase in 1983, compared to only 40 per cent of private sector employees. The study warns that "the feelings of public servants add up to a profound and personal sense of grievance."

● Built in problems. Most embarrassing for the Government is the current row over police pay. The police are refusing to accept an index-linked pay offer of 4.8 per cent unless a row over a review of their pay system is resolved. As it is, the police are unhappy about the fact that non-settlement of theminers'strike is having a depressing effect on the Government's earnings index—and therefore on the offer put to them.

The miners are also likely to affect two other areas, which, in the last pay round reaped the benefit of the government wanting to avoid the opening of a trade union second front: the *railwaymen, and the Post Office* workers.

Both British Rail (already facing industrial action next month over jobs and services, which BR sees as supporting Mr Scargill) and the PO seem likely to come back to their unions in this round with re-tabled productivity proposals. These were withdrawn hurriedly last time to leave the miners isolated—and their reception from the unions is likely to be all the worse for bringing them back.

The nurses' pay review body —which has already administered a snub to the *Government by refusing to be* restricted by cash limits—has given warning of another, probably sizeable, recommended rise this year. Even some employer-inclined pay forecasters are predicting this could be as high as 12 per cent. And the industrially-powerful water workers, their 16-month pay deal over, are back at the negotiating table this year.

● As the main table shows, many key groups have still to settle for the 1983-84 round. Most obvious are the miners, whose settlement date for this year, let alone last, is looming. However, the Coal Board is unlikely to rush to make a fresh pay offer on top of the 5.2 per cent already on the table. Other costly increases still to come include the teachers, whose claim went to arbitration yesterday, the white-collar civil servants, and several National Health Service groups.

● Pay systems. The Government is supposed to be moving towards a settled system of public sector pay incorporating comparisons with wage rates in the private sector. A report produced last in 1982 by the *Megaw committee was supposed* to be a blueprint for this. However, last year a oGvernment-commissioned survey by the Office of Manpower Economics found that Civil Service pay rates were lagging those in the private sector by 6 per cent. Ministers may be reluctant to repeat this embarrassing exercise this year, and that, claim some unionists, could put paid to the whole idea of a settled system.

Early key signs of the likely shape of the pay round will come from the engineering industry and local authority manual workers' negotiations.

Another important area is likely to be the motor industry. Economic recovery in the sector was signalled last year by relatively high settlements at Ford (7.7 per cent plus productivity changes) and Vauxhall (two-stage deal of 6.5 plus 1.3 per cent after lightning strikes); by higher bonus payments at BL, and an extraordinary turnabout in which shop stewards at the company's Cowley plant moved, within three years, from being pariahs in management eyes to policemen, keeping order amid unofficial disputes. BL's two-year pay deal runs out in November.

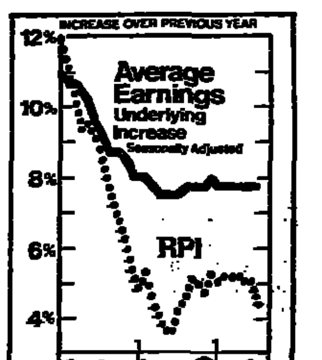
Jaguar, whose shares have just been floated on the stock market, will bargain independently following privatisation. The company's move into the private sector included a profit-sharing agreement with employees. A similar deal last year at British Airways—*itself about to be privatised*—gave some cabin staff bonuses of around 11.5 per cent.

The CBI, concerned about a general softening of bargaining attitudes, says worriedly that "employees may argue that the time has come to reward past sacrifices, past moderation."

The oil industry could be the first to show any such trend. Amid a flurry of legal action over sympathy pay strikes, Shell settled last year at 4.5 per cent. Talk this year in the industry is of deals of 6 per cent "in compensation," as IDS researchers term it for a lowish deal in 1983.

Another example of so-called "compensation" are the current negotiations at Independant Television, where a cost of living increase in July 1983 gave employees 3.7 per cent. This relatively low deal has helped stimulate pressure for a much higher offer this time of 7.5 per cent—which ITV unions feel is still not enough.

"The climate is hardening," warns the CBI. "The industrial relations challenge cannot be overstated." The miners are the lynch-pin of that challenge; but even away from the coalfields, for the Government and employers, as the CBI says, "the task is daunting."



THE FORECASTS

(Predicted rise in underlying trend of average earnings)

	%
Capel-Cure Myers	7.5
James Capel	7.25
Henley Centre	8.5
Laing & Cruickshank	7.5-7.75
London Business School	6
Phillips & Drew	7-7.5
Rowe & Pitman	7-7.5
Simon & Coates	7.5

Men and Matters

Plowright's ITV role

David Plowright, managing director of Granada, has just inherited the hottest seat in independent television — chairman of the council of all the 15 ITV companies.

The ITV bosses like to talk of ITV as a federal system. But their association spends much of its time close to the brink of civil war and often has the greatest difficulty agreeing about anything.

And Plowright, aged 53, sister of actress Joan Plowright and brother-in-law of Lord Olivier, takes over from Paul Fox of Yorkshire at a critical time.

Within a matter of months, the ITV companies will have to get their act together on direct broadcasting by satellite. The companies will have to decide whether to invest around £200m over the next seven years for a 30 per centstake in the project. The BBC will hold 50 per cent and a non-broadcasting "third force," the rest.

At the same time, the Home Office and the Treasury are limbering up for a review of the Exchequer levy on ITV profits. They will look at a move from a tax on profits to a tax on revenue. Trouble is that some compnies, such as Granada, would benefit from such a change while others, like the London stations, would be seriously hammered. Cynics everywhere fear that the move would clear the way to higher taxes.

Plowright, described as "tough fair" in the best Mancunian tradition, will probably have to know some heads together. The former Scunthorpe Star reporter and equestrian correspondent of the Yorkshire Post, colleagues say,has shown enough at Granada since 1958 to suggest he is probably up to the task.

Current affairs

I once asked the man who built the electricity supergrid if its emanations could do any harm.

His only advice was that courting couples should avoid fields crossed by power lines. Damp ground can yield some unexpected tingles.

Publicity for a forthcoming Central TV programme suggests that a lot of other old wives' tales about how power lines can cause fatigue, stress, miscarriages, and nosebleed will be trotted out again.

However, the advances for the programme coincide with a report from the electricity industry in the U.S., where power lines carry much higher voltages than in Britain—765,000 volts compared with only 400,000.

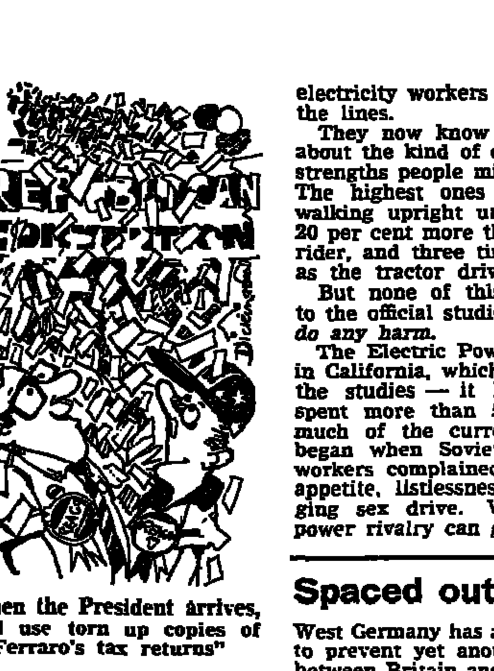
The U.S. industry is paying *a whole raft* of researchers across the country to look for some genuine public health hazard from overhead power lines.

They've put recorders on farm workers tending crops, for example. They've wired men riding tractors and horses beneath lines. They've wired electricity workers who service the lines.

They now know a lot more about the kind of electric field strengths people might receive. The highest ones come from walking upright under lines—20 per cent more than a horse-rider, and three times as high as the tractor driver receives.

But none of this, according to the official studies, seems to *do any harm.*

The Electric Power Institute in California, which is funding the studies — it has already spent more than £10m — says much of the current interest began when Soviet electricity workers complained of loss of appetite, listlessness, and flagging sex drive. Well, superpower rivalry can get tiring.



"When the President arrives, we'll use torn up copies of Ferraro's tax returns"

Spaced out

West Germany has acted swiftly to prevent yet another dispute between Britain and the rest of the European Community.

The contrversy this time concerns nothing so down-to-earth as lamb wars or budgetary repayments. Cause of the upset was the exclusion of Britain's squad of astronauts from the inaugural meeting of Westrn Europe's trade association for spacemen.

Commander Peter Longhurst, head of the British team, admitted to being "a bit supprised" that his men were left out. Two of them will venture into the heavens in about 18 months as guests of the U.S. Government.

The first meeting of the asso-*ciation was attended by three* Germans, two Frenchmen, and one man each from Holland and Switzerland. All are training under the auspices of the European Space Agency and the German and French Governments.

But Reinhard Furrer, one of the chosen seven, assures me that no snub was intended.

A German physicist who is due to go into orbit next year on a SEpacelab flight, Furrer says that when they meet again in Holland in October, the seven will consider letting the Brits in.

The group will ensure that any Europeans venturing into space can swap information about space projects. It will also contribute ideas on policy —how Western Europe could participate in the manned space station that the U.S. plans for the 1990s, for example.

But Furrer's contention that the group will be a "kind of trade union for astronauts" may cause problems for Britain's budding spacefarers. *They are all full-time service*men on the Ministry of Defence payroll. And the Government, of course, has rules about the sort of organisations its employees can join.

Colour clash

Trevor McDonald, of London's Independent Television News, is an experienced reporter, but not even the shocks and horrors of, say, Lebanon are likely to prepare him for his latest extremely unusual assignment.

ITN has sent him to South Africa to cover the elections to that country's new multiracial parliament.

McDonald, 45, is probably Britain's best-known black journalist, thanks to his appearances on News at Ten. He now covers mostly foreign stories for Channel Four News. This, however, is his first venture into the citadel of apartheid.

As he is no doubt discovering, you hold separate elections in South Africa, even when the winners belong to the same legislature.

The Coloured (mixed race) vote tomorrow, the Asians next week. White MPs from the old Parliament will take their seats in the new body without a fresh election.

As for the country's blacks, who outnumber everybody else more than two to one, they are taking no part in the poll.

Observer

Letters to the Editor

Time to set textiles free

From the Chairman, Wool Textile & Clothing Industry Action Committee.

Sir,—I was deeply disturbed and concerned by the tone of your leader on August 15 under the headline of "Time to set textiles free." It was not so long ago that you supported the renewal of the last multi-fibre arrangement when it was up for discussion in 1981. Have events since then changed your mind so much that you cannot now see a need for a continued MFA4?

The issue you raise is important, not only for the industry itself, but for the UK's consumers, many of whom are also employed directly by the industry or are dependent on the demand for supporting services generated by textile and clothing production. This committee has stressed this aspect in its evidence to the study by Professor Silberston. I do not feel that you can say that Britain is better off without quotas on textiles and clothing. The consequences of abolishing the MFA are not, as you rightly acknowledge, "entirely predictable." It depends, for example, on the level of domestic consumer demand for textiles and clothing. It also depends on the exchange rate for the pound. This has undergone severe fluctuations over the last four to five years, which has badly dented business confidence.

It is factors such as these, which have meant that companies in the industry have not been able to adjust their product or their market in line with the original intention behind the MFA. How can they when the Government and the European Commission both see the industry as one which should be deprived of all assistance and help? This is exemplified by the industry's proposed exclusion from the special EEC help for textile areas announced in January this year.

This committee sees some of the real problems which have to be faced by all trading countries as fraud and quality. Your leader appears to condone "cheating." Yet, WOOLTAC has found that there is serious fraud on country of origin marking and on fibre content labels which should not under any circumstances be condoned.

The MFA is not an ideal framework for the administration of international trade, but nor is it a disaster. To do away with it would be. To advocate such a position at the outset only weakens the confidence of industry still further.

A. G. Park.
County Hall,
Wakefield,
West Yorkshire.

Quotas and barriers removed

From the Chairman and Chief Executive, Allied Textile Companies

Sir,—Compliments to you on a brave attempt (August 15) to express and simplify so complex a matter as the pros and cons for renewal of the multi fibre arrangements.

If the arrangements be scrapped and we are to have world trade in textiles and clothing without quotas or import restrictions this must have universal application including (especially) the USA. Unless all quotas and barriers to trade—be these tariff or non-tariff—are removed by all the major textile producer and textile consumer countries—the UK will surely be disadvantaged by its traditional instinct for free trading.

The very marked improvement in the performance of the UK textile and clothing industries at present owes much to the diminished value of sterling. The future success of these still important UK industries will, I suggest, probably depend more upon exchange rate movements than the effects of having or not having multifibre arrangements.

C. Russell Smith.
Highburton, Huddersfield.

Ballotting on the farm

From Mr D. Hughes.

Sir,—Having waited for Moss Evans to reply to P. McMahon's detailed analysis (July 26) of the deficiencies of the Transport and General Workers' Union's election procedures, one is left to assume that his letter of July 14 was the one and only defence he could muster against what he (Mr Evans) knows to be the truth of the situation.

In my local agricultural branch, I was informed by circular letter on May 16 from my district officer, that the arrangements made for the election of the general secretary required members who wished to vote to go to the district office in Maidstone on Monday May 21, between 9 am and 4 pm. This notice also stated (contrary to rule) that the only members eligible to cast their votes were those who paid the full rate of contribution. This provision effectively disenfranchised many individuals who, through no fault of their own, pay a lower rate. The fact that it was contrary to rule made no difference to any district or national official—Moss Evans included!

The fact that a mere seven hours were given to farmworkers to exercise their rights—as opposed to the four weeks which (supposedly) the rest of the T&G members were given, also made no difference to those in charge.

The fact that any members who followed the instructions and went to Maidstone—if any did—thereby lost a day's pay in the process, as well as travel costs, again made no impression on the officials of the union, from Moss Evans down.

Moss Evans, in his "defence" of July 14, quotes a turnout of 48 per cent in the election. I, for one, would very much like to see a breakdown of that figure branch by branch. P. McMahon asks Mr Evans to begin with the figures for Northern Ireland. I would ask him to follow up those figures with the figures for Kent. In particular, the number of votes cast by the Kent central branch, Eynsford branch, and Tilmanstone branch would make fascinating reading!

Calls for a postal ballot were ignored—calls for the branch figures were ignored—calls for an investigation into the above were ignored. What is Moss Evans—and his brothers—trying to hide?

Declan Hughes,
Tanyard Farm,
Hawkhurst, Kent.

Doing nothing on energy use

From the Chairman, London Electricity Consultative Council

Sir, — Maurice Samuelson's article, "Why the French are masters of conservation" (August 8) provokes the question, why are we not attempting to emulate their achievement? One part of the answer is quite simple: neither the electricity supply industry nor the government is interested.

In the annual report for 1984, the chairman of the Electricity Council stated that "it is in the interests of both the nation and the industry that electricity sales should increase." Not only does this directly identify the self-interest of monopoly producers with the public interest (always a dubious proposition). It also implies that statutory boards are comparable to private companies whose main legitimate aim is to maximise profits for their shareholders.

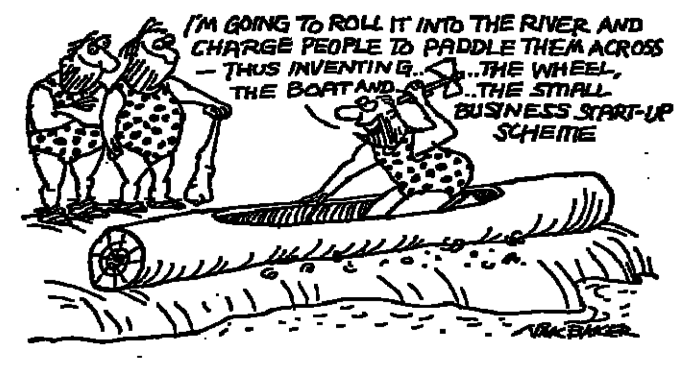
Consistent with this view, the London Electricity Board has virtually ignored the LECC's repeated requests for a positive and properly resourced programme to promote conservation, especially for marginal business and those who live in hard-to-heat homes. Instead, the Board has just approved a new sales plan with the title, "Marketing for growth," and proposes to employ additional staff to meet its "share" of national load targets.

In its 1981 report on the Generating Board's proposed nuclear power programme, the select committee on energy observed that "we were dismayed to find that, seven years after the first major oil price increase, the Department of Energy has no clear idea of whether investing around £1.3bn in a single nuclear power plant (or a smaller but still as important sum on a fossil fuel station) is as cost effective as spending a similar sum to promote energy conservation." The Government then produced a thin, and in some respects misleading, submission last year to the Sizewell B inquiry, titled "Investment in energy use as an alternative to investment in energy supply," which fudged the issues.

Last week, Lord Avon, Under Secretary of State in the Department, wrote to me stating that there is no "undertaking to look at this particular proposition again at some specific time, although the issues are kept under review," which in plain English means doing nothing. Now the select committee has repeated its scepticism about the Department's commitment to conservation in its recent report on energy research and development: expenditure is heavily biased towards nuclear power.

The institutional barriers to change in both the industry and its sponsoring department (which "went native" long ago) are formidable. Until we follow the examples of France and America, and the proposals of the select committee on energy in 1982, and impose a statutory duty on electricity boards to promote conservation, they will continue to devote their substantial marketing resources—and vast amounts of consumers' money—to increasing the sales of electricity. The LECC does not accept that this is in the national interest.

Alex Henney.
8 Great New Street, EC4.



Messing about with boats

From Mr S. Preston

Sir,—Peter Marsh (Top Ten: useful inventions—August 16) left out the boat. The other week, my two sons and I, while sailing our dinghy off Wales, were debating which came first: the wheel or the boat. My sons maintained that the boat did, since water makes up some two-thirds of the earth's surface. I asked them how man got the first boat into the water, pointing out Robinson Crusoe's problem, if not on wheels. They replied that the first boat would have been a tree trunk which they would have rolled into the water, thereby inventing, as a by-product, the wheel!

Steve Preston,
9 Templar Street, SE5.

Well chosen words on top

From Mr. D. Paget-Brown

Sir, — David Walker's article (August 17) on newspaper headlines which might have been better left unwritten — one in your excellent "FT Top Ten" series — was highly entertaining and speaks volumes for both the competence and the good humour of your sub-editors. To take but three examples of well-thought-out headings in the very same edition in which Mr Walker writes, how could one better "Cheap chips for cable connection" (Technology page), "Stone's throw" (Men and Matters), or "Tiny comfort to Fraser holders" (Letters to the Editor)?

I am not so sure about "Insect-infested ship is 'unseaworthy,'" but then how do you jazz-up a Commercial Law Report? That heading certainly conjured up for me — before I read the story — a picture of millions of termites biting through a ship's hull until the unfortunate vessel keeled over and sank. Rather less dramatically it transpired that the cargo of soyabean meal suffered from insect infestation. Might I suggest to your hard-working subs that they could have headed the story "Soyanara to bugs' grip on hold"? On reflection, though, perhaps that's not quite the FT's style!

Dudley Paget-Brown.
58, Pelhams Walk,
Esher, Surrey.

Regional airline operations

From the Chairman and Managing Director, British Midland Airways.

Sir,—It is a pity that in the debate over the future of UK air routes your correspondents, Mr Varndell and Mr Clarry (August 14) of the British Airways Trade Union Council, follow the dubious lead of their management in allowing accuracy to become subordinated to the short term expediency of being dismissive towards the Civil Aviation report on airline competition policy.

The full story of the 1978 route transfer between British Midland and BA involving Liverpool and Irish Sea routes in exchange for international routes from Birmingham is considering less flattering to BA than your correspondents suggest.

The Birmingham / Brussels route which we transferred to BA in 1978 was pioneered by us in 1972 and had become profitable. Within two years of the transfer to BA, the route was losing money heavily and the service terminated. BM then resumed operations and has subsequently restored profitability to the service.

The track record of other BA routes from Birmingham, where we have declared a particular interest, is equally unsatisfactory and by any standards disqualifies BA from being a suitable operator to sustain routes for the benefit of the local area in the future.

During the past seven years BM has rescued other important routes from Birmingham to London Heathrow, Jersey and Guernsey — all having been abandoned as loss makers by BA and now operated at a higher frequency and profitably.

Three other vital international routes to the business community from Birmingham Copenhagen, Milan and Zurich have in recent years been similarly cast off. They now have a real prospect of development with the operation by an airline which has assumed responsibility for these routes.

In respect of our record on the Liverpool and Irish Sea routes it should be recalled that Merseyside has suffered its sharpest ever economic decline in the last six years. Rather than abandon the airport to its fate and pull out as BA decided, we have uniquely invested private capital to redeveloping the route network with the remaining traffic to fit a size and scale of aircraft operation which permits a profitable result and gives better prospects for long-term security to the staff concerned.

Some of our Liverpool routes are now operated by a subsidiary company, Manx Airlines, which has transformed routes serving the Isle of Man both in terms of profitability and frequency in a way which was never achieved during the 30 year tenure of BA on these routes.

The considerable efforts of BA staff and the work of your correspondents' council in seeking to create viable air routes in the provinces is fully acknowledged. Their enlightenment in identifying the problem during the past two years, however, cannot extinguish the record of the past. The efforts of the independent airlines to operate successful regional air services has been sustained over a considerably longer period.

It appears the board of BA is willing to operate many provincial, domestic and international air routes at a rate of return far lower than its Heathrow based European and intercontinental network.

Indeed, if the results for sustaining its remaining provincial services were to be representative of the rest of the BA network—there would be no prospect of privatisation at all.

How long after privatisation will this policy survive with its new shareholders who may be rather less enthusiastic to sustain these services through cross-subsidy or minimal return than the short term expediency now being adopted to smooth the privatisation path?

Perhaps, on reflection, your correspondents may agree that the transfer of routes by consent that has been achieved twice before, and acceptance of the CAA report is for the long-term security of the routes and the employment of staff are more attractive.

Michael Bishop.
Donington Hall,
Castle Donnington; Derby.

Impact on BA's revenues

From the Group Director, Economic Regulation, Civil Aviation Authority

Sir,—I should like to correct one factual inaccuracy in Colin Marshall's letter of August 13, where he comments on the impact of the CAA's proposals on British Airways' revenues, he says "the CAA itself projects a further removal of routes equivalent to 4.5 per cent.

In fact this figure represented the CAA's estimate of the impact on BA's revenue, in the long run, of licensing the competing services which BA welcomes.

Raymond Colegate,
45-59 Kingsway, WC2.

Labour disputes and the law

From the Manager, Company Communications, International Harvester Great Britain

Sir,—Your leading article of August 14 on "Labour disputes and the law" prompts me to observe yet again that any improvement in British industrial relations is unlikely to result from statutory intervention. The real hope for the future lies in the promotion of effective employee involvement. With management and managed working together for a common purpose the traditional adversial posture is removed and with it the scope for industrial disputes. If disputes can be prevented, the means for dealing with them become irrelevant.

Roland Long.
PO Box 30,
Neale Road,
Doncaster, S. Yorks.

Deng Xiaoping at 80

The man remoulding China

By Mark Baker in Peking

Radical economics and his slaying of Marxist demons have led foreigners to conclude that Deng (r) is something of a liberal. The truth is that he is a deeply conservative Communist—and no libertarian

BEIDAIHE is China's Black Sea. In summer, thousands of people escape the stifling humidity of Peking for the sandy coves, lush gardens and seafood of the resort on the edge of the Bohai Gulf, 250km east of the capital.

Beidaihe is also the refuge of the hierarchy. Their dachas are big sandstone villas, mostly hidden by walls of vegetation, steel fences and security police guards.

Several weeks ago, a British student and her boyfriend were exploring the town on bicycles when they turned into a quiet back lane. They were surrounded immediately by more than a dozen soldiers with guns drawn. The pair had innocently encroached on the private domain of China's most powerful leader, Deng Xiaoping.

Deng once said that he had two irresistible pleasures—smoking and using the spitoon. Beidaihe is another. He spends most of the summer there, swimming more than a kilometre a day and developing a tan to match the most weather-beaten Mongolian herdsman.

Beidaihe is one of the few small windows into the private life of Deng Xiaoping who, as the unrivalled leader of 1bn people, is among the most powerful individuals in the world. As the leader who has masterminded China's astonishing recovery from the chaotic Cultural Revolution, he is perhaps the outstanding statesman of this era. Yet his personal world has never been seen by ordinary Chinese and foreigners, except through fragmentary and often contradictory glimpses.

Tomorrow Deng will turn 80, according to the Chinese Foreign Ministry. But even the simple detail of a birthdate is open to doubt. Standard Chinese references have previously been uncertain about when in 1904 Deng was born into the family of a prosperous landowner in Sichuan province.

It is indicative of the style of Deng's rule that his birthday will probably be ignored throughout China. Since he was restored to the leadership in July 1977, and particularly since cementing his absolute authority four years ago, Deng has refused to adopt a title that matches his real status as "the chairman" of China. Ostensibly, he is in retirement.

The reality is that, at the age of 80, Deng is still in control of every major decision taken in the People's Republic.

While at Beidaihe in the summer or wintering in Canton, Deng is kept in regular contact with the key affairs of the party and the central government directed by his chosen successors, Hu Yaobang, the party's general secretary, and Premier Zhao Ziyang. It is Deng who adjudicates in any disputes within the hierarchy.

Deng told Mr Yasuhiro Nakasone, the Japanese Prime Minister, in March: "Right now, Hu Yaobang and Zhao Ziyang are doing the work for me. Even if Heaven should fall, Hu and Zhao can support it." But while Hu and Zhao do the work, Deng calls the shots—and it does not seem likely that Heaven will fall for a while yet.

Deng is remarkably fit and mentally agile, although he continues to chain-smoke the Panda brand cigarettes made exclusively for high-ranking cadres.

He still works regularly at his office in Zhongnanhai, the walled leadership compound next to the old imperial palace in central Peking. He is now hardly ever seen in public and he did not attend the opening session of the National People's Congress this year.

While just 4 ft 11 ins tall, he is an imposing figure. He talks with a thick Sichuan accent in a raspy tenor and his habitual frank and no-nonsense language is known as "Dengese" among diplomats.

The achievements of Deng's career are remarkably by the standards of any country or any political system.

He has been a member of the Chinese Communist Party for 60 years. Before the Communist victory in 1949, he served as a grassroots organiser, a newspaper editor, a propaganda leader, a leader of the Long March and a field general. After liberation, and before achieving his present supremacy, he served at various times as the head of each of three arms of power in China: the party, the military and the Government.

He must be the only leader in modern times who has twice risen to the heights of political power, has twice been purged and has then come back a third time to take ultimate control.

Deng was first purged at the beginning of the Cultural Revolution in 1966, largely because of his radical support for workers' and peasants' incentives and his promotion of the value of science and education following the disastrous Great Leap Forward.

After disappearing from public view for more than six years, Deng was reinstated as Vice-Premier in April 1973. With Premier Zhou seriously ill, Mao needed Deng's skills in running the country.

Again Deng began to introduce reforms based on his view of the need for pragmatism in economic planning and recognition of the value of some of the experience and technology of the capitalist West. It was the philosophy embodied in the famous maxim for which Deng was repeatedly denounced earlier in the Cultural Revolution: "As long as the cat catches mice, it doesn't matter if it's a white cat or a black cat."

By April 1976, with Mao and the Gang of Four increasingly worried by the growth in Deng's prestige and authority, he was purged again. This time, stripped of everything except his party membership, he took refuge in Canton under the protection of some loyal generals.

His denunciation continued until the following November—two months after Mao's death and a month after the arrest of the Gang of Four. In July 1977 Deng reappeared and was restored to all his posts.

In the seven years since his last return, his efforts have transformed China. Major economic reforms are revolutionising the economy. Peasants are being exhorted to get rich through hard work and incentive: they are controlling their production, working private plots and selling to free markets.

In the cities, industries are being modernised and there is an accelerating influx of foreign capital, technology and expertise through the "open door" policy. Salaries have more than doubled. There are bonuses for good workers and tens of thousands of people are leaving state jobs to start private enterprise businesses.

Politically, the destruction and faction-fighting of the Cultural Revolution have given way to the longest period of stability since the founding of the People's Republic. There is a new constitution and a new stress on the rule of law.

Most of the credit for this is rightly accorded to Deng Xiaoping. But, while his radical economics and his slaying of the Maoist demons have often led foreigners to conclude that Deng is something of a liberal, the truth is that he is a deeply conservative Communist who believes in the primacy of the party and the necessity for social and ideological discipline.

China's current dalliance with Western capitalists is pure pragmatism: Deng's goal is a modern, powerful socialist state. Foreign money and know-how are simply means to the end.

Deng is no civil libertarian, either. Ordinary Chinese still lead lives that are heavily orchestrated by the party. They cannot marry, move house, change jobs or have children without the permission of their neighbourhood committee or work unit. They are still encouraged to inform on one another and must attend weekly political study sessions, where the thoughts of Mao have given way to "the selected works of Deng Xiaoping"

But most of the Chinese are now better fed, better clothed and obviously more prosperous than before. For these reasons alone they would wish Deng Xiaoping longevity on his 80th birthday.

FINANCIAL TIMES

Tuesday August 21 1984

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Home loan finance is home grown in Taiwan

By Bob King in Taipei

WHEN Lance and Lydia Lin needed money for a down payment on a flat they walked straight past the banks. Instead, at their friendly neighbourhood "Hwei", the Lins borrowed the equivalent of $10,000 with no collateral except good faith.

All over Taiwan, families, individuals, and businesses use Hweis – a kind of oriental mutual savings and loan association – when they need money or have savings to invest.

The local banking system, archaic and largely owned by the Government, charges lower interest rates – but is not interested in lending money to individuals such as the Lins. The banks prefer to deal instead only with larger clients who have "Gwanxi", or connections with them – and are willing to provide security of as much as four times the value of the loan.

Small investors too, prefer the Hweis to banks and other savings schemes. The return can reach 40 per cent, compared with the 6.25 to 8.75 per cent the banks offer.

Taiwan's central bank estimates that borrowing from the "unorganised money markets", which includes the Hweis, the kerb market, and instruments such as post-dated cheques, makes up 9 per cent of the private sector's assets, and 16 per cent of its liabilities.

The Hweis defy simple description, although they are similar to the early British building societies in the way they operate. They may involve a small group of people who work together; they may, at the other extreme, link hundreds of unrelated people who never meet and who conduct their business by post.

A typical small private Hwei of, say, 10 people who work together will include some who see it as a vehicle for investment and others as a source of funds. The number of people determines how long the arrangement will last – 10 months in this case.

Each participant agrees to invest a set amount each month, say the equivalent of $100. They elect a Hwei leader responsible for managing the fund and ultimately liable for any defaults.

He receives the first month's investment, in this case $1,000, free of interest as his fee. In the second month, the fund is opened to bidding from the other nine participants. Those who want to borrow, submit "bids" on folded slips of paper stating the amount they are willing to pay each of the others for the right to use that month's kitty.

On a successful bid of $10, the borrower receives the $100 being put in by the other eight participants, less, in each case, the amount bid. His total borrowing is, therefore, $720, but he has to continue paying $100 a month, or $800 in all, for the remaining term of the Hwei. In subsequent months, the remaining prospective borrowers follow the same procedure until everyone has had the use of one month's funds.

In the end, those who participate as investors reap the profits: the last to bid for the fund (or not bid at all) when demand for funds has slowed, has paid in substantially less than the agreed amount per month yet finally receives the full amount from each of the other participants.

The Hwei worked well when Taiwan was an agricultural, family-centred society, in which social morality was clearly defined and enforced by the certainty of ostracism should a person's obligations fail to be met.

Nowadays, however, society has changed and traditional morality is less strong. Many Hwei leaders have over the past few years simply run off with the cash. One recent case left investors short of an estimated $9.75m.

Hweis involving employees of one company or government employees are normally not vulnerable to such fraud. But bigger Hweis are.

These larger private Hweis attract the most people because of the higher interest rates they offer.

Volvo co-operation pact with Kuwait Petroleum

BY KEVIN DONE, NORDIC EDITOR, IN STOCKHOLM

VOLVO, the Swedish car manufacturer, has signed a co-operation agreement with Kuwait Petroleum, one of the leading petrol suppliers in the Swedish oil market, covering joint "commercial and technical development."

Such an agreement is unusual between car manufacturers and oil companies in Europe, although similar co-operation does exist between Renault and Elf Aquitaine in France.

Volvo said the agreement was part of its strategy to give Volvo car owners a better package deal including special terms for items such as insurance, credit, servicing and cheap petrol.

Neither company would be drawn on the details of the deal yesterday. But other oil companies in Sweden have expressed serious concern that it might provoke another round in the petrol price war that has been raging in Sweden for several months.

Kuwait Petroleum bought its way into the cut-throat Swedish petrol market through its takeover of the chain of Gulf petrol stations in Scandinavia.

It now supplies some 558 petrol stations and has about 11 per cent of the Swedish petrol market. It has also bought into the petrol markets in Italy and the Benelux countries.

Volvo, the largest industrial group in Scandinavia, accounts for about a third of the car stock in Sweden and for close to 30 per cent of new car sales in the country.

"The new agreement would increase the possibilities for Volvo customers to buy petrol, service and spare parts across the country," said Mr Nils Kustas, managing director of Kuwait Petroleum Svenska.

Volvo has been searching for a co-operation deal with an oil company in Sweden for several years. It had earlier tried for a Nordic solution in co-operation with Statoil, the Norwegian state oil company, which tried in vain to buy Mobil's petrol stations in Sweden.

Mobil is now discussing the sale of its retail chain to Norsk Hydro of Norway. Mobil is the petrol supplier to most of Volvo's car dealers which have more than 100 petrol outlets, but that role will be taken over gradually by Kuwait Petroleum.

Israeli reserves 'still falling'

BY DAVID LENNON IN TEL AVIV

ISRAEL'S foreign currency reservers, which fell dramatically last *month, are dropping even further* through the danger line this month, according to Mr Ariel Weinstein a member of the Knesset finance committee in the outgoing Likud Government.

The central bank admitted last week that it had concealed the full extent of the fall in Israel's foreign currency reserves in July by adopting a new accounting method which had artifically boosted the reserves by $325m.

Even with that, the reserves were shown to have fallen by $351m to $2.6bn, well below the $3bn long regarded as the minimum level needed to cover three months' imports of basic commodities.

"*The foreign currency reserves* are continuing to drop massively this month. By the end of August we are likely to have lost hundreds of millions more dollars from the reserves," he said.

"The current policy is likely to bring us to the edge of the precipice and therefore I demand implementation of a new economic policy, without waiting for the establishment of a new government."

Israel is pinning its hopes for improving the foreign reserves position on U.S. willingness to pay over all the aid allocation for next year this October, the beginning of the U.S. fiscal year, rather than transferring it quarterly.

The compounding of the economic bad news comes as the country's politicians continue their efforts to establish a new government from out of the parliamentary deadlock created by last month's general elections.

The negotiators from the ruling Likud and the opposition Labour Party who are discussing whether to form a broad-based national unity coalition said last night that they had made good progress on working out a common economic platform for such a government if it is formed.

Rise in European investment

BY IVO DAWNAY IN BRUSSELS

INVESTMENT in European manufacturing industry is expected to increase by 7.2 per cent in real terms this year, according to the latest EEC business survey.

The rise, estimated at 13 per cent in current prices, is by far the most marked for any year since 1970 and supports European Commission forecasts of a strong recovery in investment in plant and machinery. Last year, investment levels fell by 2 per cent.

Second-quarter figures also show that the steady increase in capacity utilisation, now at 80.3 per cent, is continuing its recovery from the 76.5 per cent low recorded in the same quarter last year.

Nevertheless, the latest figure remains 3.1 percentage points below the peak level recorded in the third quarter of 1979.

The new investment forecasts confirm the unprecedentedly high growth rates in Denmark and the Netherlands. Those were revised upwards in the March-April survey to a 60 per cent increase in Denmark and 29 per cent in the Netherlands.

In Britain, France and Belgium, industrial investment in 1984 is expected to increase in real terms by about 10 per cent. West German industrialists have revised their figures to show a 2 per cent real rise (5 per cent at current prices), while only Italy is showing no change in real terms.

The business survey expects the fastest growth to come in the metallurgical industries, up by 35 per cent this year, reflecting further new investment in steel sector.

Engineering forecasts a 13 per cent rise, higher than that anticipated last autumn, with the most substantial increases coming in the UK, the Netherlands, Belgium and Denmark.

New U.S. rules for foreign investors

Continued from Page 1

tions must be payable only by a paying agent outside the U.S. and generally cannot be paid to a U.S. address. In addition, the obligation must contain a statment on its face and on any interest coupon that any U.S. holders will be subject to limitations under the U.S. income tax laws.

The U.S. financial community had still not had time to study the complex regulations yesterday and it is far from clear whether the new rules will be sufficiently flexible to meet the requirements of foreign investors, many of whom rate anonymity and absence of paperwork higher than the superior income yields they can often earn by investing in the U.S. debt market, as opposed to the Eurobond market, where bearer bonds are the traditional instrument.

The IRS has also clarified its attitude to the new form of U.S. Treasury security, which will be targeted at foreign investors in registered form. The registered owner of the security must provide certification with each interest payment that represents that "the beneficial owner is not a U.S. person."

The IRS notes that this applies only if the registered owner is a financial institution that holds customer securities in the ordinary course of its trade or business.

The certificate provided by a clearing organisation must be based upon a written statement from the member organisation to which the interest is paid that the beneficial owner is not a U.S. person.

The Treasury indicated last week that it intended to issue $1bn-$2bn of such new targeted securities next month as part of the regular four-year note auction. The U.S. Treasury will shortly despatch a team of high-level officials to the world's main financial centres to explain the new rules.

The IRS has still not made up its mind whether the foreign offices of U.S. brokers should be subject to "back-up" withholding tax and whether the information reporting requirements to which they are subject should be tightened. However, until stated otherwise, those offices are exempt from such requirements.

Zanussi rescue package rejected

Continued from Page 1

an initial 49 per cent of Zanussi and buy L100bn of bonds convertible into Zanussi shares, which could bring its stake up to 75 per cent. In addition, Electrolux would pay off the foreign banks and guarantee the balance of the rescheduled Italian debt.

The Italian banks maintain that the foreign creditors are not being treated unfairly because their own acceptance of rescheduling and reduced interest until 1990 amounts to a sacrifice of L200bn and thus a loss similar to the foreign banks' writing off 30 per cent of principal.

Kevin Done in Stockholm adds: Mr Lennart Ribohn, Electrolux finance director, said: "They (the banks) can take what has been offered or the whole lot."

Zanussi's results in the first part of the year had been worse than expected and worse than had been presented to Electrolux at the beginning of the negotiations, Mr Ribohn said. "If we started again from scratch we would have a harder attitude," he said.

"We are not trying to blackmail the foreign banks. They have Zanussi's figures for the first five months, they should know the position. There is no equity left."

"We are not in a position in which we must take a decision whether we are still interested or not. Eventually, confidence in the company becomes less and less and key people will leave. At a certain time you reach a point at which you are not interested any more – we are close to that."

The company has contacted several of Zanussi's foreign banks in recent days to collect directly their views on the rescue package.

Lloyd's sets aside £6m for potential defaults

By John Moore in London

THE RULING authorities of the Lloyd's insurance market yesterday set aside £6m ($7.8m) from a £134m central fund of last resort to cover the potential insurance liabilities of 18 underwriting members who have not proved their financial solvency.

The fund is designed to protect holders of Lloyd's insurance policies against the failure of any Lloyd's underwriter.

Lloyd's does not normally give figures for the provisions from the central fund and would not disclose the 1983 amount. However, it was stressed that this year's figure was the highest ever.

Members of Lloyd's who pledge the entirety of their personal wealth to allow the market to function and are liable to the full extent of their wealth to meet insurance claims, have to show each year that they have enough funds to meet *their liabilities.*

Of the underwriters who have not demonstrated to Lloyd's that they have enough assets to meet their liabilities, eight are members whose affairs are managed by Richard Beckett Underwriting Agencies, the troubled agency company which forms part of Minet Holdings.

Minet Holdings has alleged that former executives of the agency misappropriated more than £38m from funds belonging to 1,500 underwriting members whose affairs were handled by the agency.

Of the £6m set aside from the central fund, £1.5m relates to the eight underwriting members whose affairs are managed by the Richard Beckett agency.

The remainder of the provision relates to the affairs of underwriters who have been suspended in previous years, deceased members and underwriters who have resigned.

Lloyd's first feared that 120 underwriting members would default, which would be 10 times more than the usual figure for defaulting underwriting members.

Lloyd's notified the members last month that if they did not demonstrate that they could meet their liabilities by its deadline of August 20 it would suspend them from underwriting.

The 18 who have now defaulted will be suspended from underwriting after a decision of the ruling council of Lloyd's yesterday.

Mr Ian Hay Davison, Lloyd's Chief Executive, said that Lloyd's had no plans to intervene in the management of the Richard Beckett underwriting agency following concern among underwriting members about the future recovery of the missing money. "The council runs the market, not the underwriting agents or their underwriting activities," he said.

See Lex

Allianz shares continue sharp rise

By Jonathan Carr in Bonn

THE SHARE price of Allianz Versicherung, West Germany's largest insurance group, jumped sharply again yesterday amid market rumours that a big company policy move was imminent.

Allianz responded to queries by saying it had "no plans which could give cause" for the spectacular share movement. Last Friday, Allianz shares rose by DM 28 to DM 812 ($283.9), then jumped by another DM 45 yesterday.

One market rumour had Allianz planning to restructure and diversify its business beyond the insurance field, as the Aachener und Münchener group has done.

Another suggestion was that Allianz might be close to making a foreign acquisition. The company has repeatedly emphasised that it is on the lookout for an enterprise to help to extend its activities abroad, especially in the U.S.

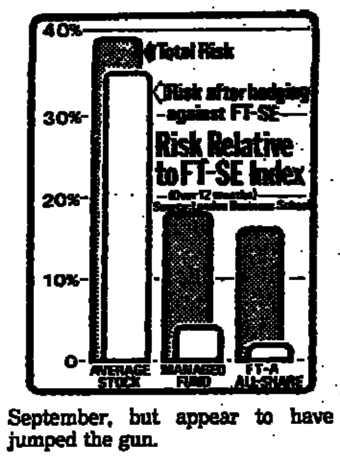
Late last year, Allianz lost its takeover battle for Britain's Eagle Star group to BAT Industries.

Frankfurt bourse report, Page 23

THE LEX COLUMN

Palmier days in Stockholm

With all the base rate excitement behind it for the moment the London market yesterday got down to the business of a proper Monday in late August – or perhaps all those returning early from their holidays just had too much to do, catching up with the take-over news. Hardly a body stirred after lunch, unless headed for an early train, and the day closed on the lowest trading volume of the year so far.



Sweden

In London yesterday, the news from Stockholm hit exactly the right note: precisely 1,600 shares changed hands in Sandvik ahead of the company's after-hours announcement of its interim results. Atlas Copco also reported from Sweden, again to a less than rapturous reception. But both companies were able to show striking progress at the pre-tax level and have added to the list of strong corporate results which has turned sentiment in the Swedish market sharply in the right direction since the beginning of the month.

International investors sitting on some huge capital gains in Sweden after the 1982-83 boom have been having a tantalising year weighting up the incentives for staying in the market, never mind adding to their commitment. There has been a net outflow of foreign funds from the market in the first seven months. But the present spate of better than expected interim results – with L. M. Ericsson due later this week – is bringing back the foreign buyers.

Their impact on the general market index has been offset by the still stodgy performance of the less glamorous sectors, notably pulp and paper. But stocks on the foreign brokers' lists – and especially those like Asea, Ericsson and Pharmacia with ADRs trading in New York – have picked up as much as 15 to 20 per cent since the start of the month.

Domestic liquidity, as always, has been another key factor behind this activity. Socialist government in Sweden, it would seem, has had little overall impact on investment flows into the market. For while it may have exacerbated an earlier shortage of liquidity, it has now helped to egg the market on via the four new wage-earner funds which were poised to begin investing in September, but appear to have jumped the gun.

Market hedging

At a time when the London equity market looks as motionless (though slightly warmer) than the average glacier, there may not seem to be much point in taking out insurance against the risks of market movement. And there may be a merely seasonal explanation for *thinnish traffic through the London* International Futures Exchange's equity pit, in its first summer. Yet since the FT-SE futures contract began trading at the beginning of May there have been enough twists and spills in the market to make portfolio hedging profitable; more profitable, certainly, than the level of futures activity would suggest.

Admittedly, FT-SE futures (and FT-SE options) are a perfect hedge only against the risks associated with holding a bundle of shares weighted exactly to match the composition of the FT-SE index itself. At the opposite end of the investment spectrum, it does not make much sense to attempt hedging holdings in an individual stock by selling FT-SE, since the greater part of an investor's overall risk is specific to the company in which the shares are held. Between these extremes, the efficiency with which FT-SE instruments can be used to shed market risk increases as the portfolio gets more diverse.

Apathy over the use of FT-SE as a basis for hedging would be well justified if the index held up a distorting mirror to the overall market. On this score at least the creators of FT-SE can feel pretty complacent. The FT-SE index tracks the wanderings of its elder brother, the FT-A All Share index, with dog-like fidelity. As Drs Dimson and Marsh of the London Business School demonstrate in a forthcoming article the minute-by-minute calculation of the 100-share FT-SE can be used to read off the value of the All Share with virtually 100 per cent certainty. And that is equivalent to saying that the FT-SE instruments could be highly efficient hedges of the wider market – supposing that there were a decently liquid market in hedges.

Rather surprisingly, FT-SE would apparently remain an almost perfect lightening conductor for market risk even if its constituents were left unaltered for years on end. In a dry-run of the FT-SE index from 1978 to 1983, eight of the original shares would have slipped out on the way through – but its tracking powers were unimpaired.

Lloyd's

The ruling council of the Lloyd's insurance market yesterday once again skirted around the thorny problems surrounding some agency activities of Minet Holdings.

Lloyd's council said the market's chief executive, was responsible for running the market – but not for supervising the underwriting agents or their underwriting activities.

Minet's special problems surely make it imperative that Lloyd's authorities play a more interventionist role in the group's underwriting agency, Richard Beckett. More than £38m of underwriting members' funds have gone missing, while up to £40m in arrears of interest is unaccounted for. While Minet and an associate company are attempting to recover the funds and new management has been installed at the agency, conflicts of interest between Minet and its underwriting names have been admitted. Yet Lloyd's has done little to address those conflicts.

In the Howden affair, Lloyd's insisted that the underwriting agency affected by the troubles should be put into a position where outsiders controlled the agency company. No such move has been made in the Minet case, according to Lloyd's because the agency is under new management. Minet has indeed offered the underwriting members an outside representative to look after their interests in the recovery operation. But that is not enough: Lloyd's should insist that the Howden example is followed.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	26	79	Dubrovnik	T	25	77	Malaga	S	28	82	Salzburg	S	23	73
Akrotiri	S	27	81	Faro	S	28	82	Malta	F	27	81	Seoul	C	26	79
Algiers	S	30	86	Florence	S	29	84	Manila	F	23	73	Singapore	C	24	75
Amsterdam	S	25	77	Frankfurt	S	25	77	Miami	C	26	79	Stockholm	F	23	73
Athens	F	27	81	Funchal	F	24	75	Milan	F	24	75	Strasbourg	S	26	79
Bahrain	S	34	93	Geneva	S	23	73	Moscow	C	18	64	Sydney	C	12	54
Bangkok	–	–	–	Gibraltar	S	26	79	Munich	S	21	70	Taipei	F	24	75
Barcelona	S	27	81	Guernsey	S	26	79	Nairobi	C	21	70	Tangier	–	–	–
Beirut	S	29	84	Helsinki	F	18	64	Naples	S	28	82	Tehran	–	–	–
Belgrade	F	21	70	H. Kong	R	26	79	New Delhi	C	27	81	Tel Aviv	F	29	84
Berlin	F	24	75	Innsbruck	S	22	72	New York	F	20	68	Tenerife	S	26	79
Biarritz	S	27	81	Inverness	S	25	77	Nice	S	25	77	Tokyo	F	27	81
Blackpool	S	27	81	Istanbul	F	25	77	Oporto	F	23	73	Toronto	F	18	64
Bordeaux	F	29	84	Jersey	S	29	84	Oslo	F	24	75	Tunis	S	30	86
Brussels	S	26	79	Jo'burg	F	10	50	Paris	S	27	81	Valencia	S	29	84
Budapest	F	21	70	Las Palmas	F	25	77	Prague	S	22	72	Venice	F	25	77
B. Aires	–	–	–	Lima	C	15	59	Reykjavik	C	8	46	Vienna	S	22	72
Cairo	S	31	88	Lisbon	S	26	79	Rio de J'o	C	12	54	Warsaw	F	22	72
Cape Town	S	19	66	Locarno	F	24	75	Rome	S	27	81	Zurich	S	22	72
Caracas	–	–	–	London*	S	28	82								
Casablanca	–	–	–	Los Angeles	F	21	70								
Copenhagen	C	19	66	Luxembourg	S	25	77								
Corfu	F	27	81	Madrid	S	29	84								
Dublin	S	25	77	Majorca	S	31	88								

Readings at mid-day yesterday.

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

Ferraro admits tax 'miscalculation'

Continued from Page 1

covered, the tax forms released yesterday would appear to bear out Ms Ferraro's contention that she and her husband pay their "fair share" of taxes.

On a five-year income of $534,000 from 1979 to 1983, Mr Zaccaro paid $220,000 in taxes, representing 41.27 per cent of his gross income.

During those years, Ms Ferraro earned $332,000 and almost 40 per cent of that went to taxes. During that time, Ms Ferraro claimed an exemption for the support of her mother, Mrs Antoinette Ferraro.

Arthur Young & Company, the accountants hired by Ms Ferraro and her husband to oversee the financial disclosure, had not yet fully audited the 1979-to-1983 forms released yesterday. If further errors were discovered, amended returns will be submitted to the Internal Revenue Service, a campaign spokesman said.

Labouring frantically to meet a deadline imposed by the Federal Election Commission, the accountants were unable to release all the documents on Monday morning

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SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Tuesday August 21 1984

Hoesch to continue pressure on PHW

By Jonathan Carr in Bonn

HOESCH, the West German steel concern, plans to continue its battle for influence over PHB Weserhütte (PHW), one of the world's top bulk materials handling companies, despite losing a crucial vote at a shareholders' meeting yesterday.

Sources at Hoesch made this clear after the meeting at which the Otto Wolff group used its 50.4 per cent stake in PHW to appoint two members of its own choice to the PHW supervisory board.

One of the members is Dr Arend Oetker, son-in-law of Herr Otto Wolff. The other is Dr Hans-Botho von Portatius, who has a place on the executive board of the Otto Wolff group.

The decision leaves Hoesch with no supervisory board members at PHW and hence no effective say in running the company, although it took a 49.6 per cent stake in PHW last year for about DM 53m ($18.53m).

Hoesch acquired the stake mainly because it was interested in a merger between its construction machinery subsidiary, Orenstein und Koppel (O and K), and PHW.

But Herr Wolff is against a merger and was irritated that Hoesch was able to buy into PHW by taking over the share formally held by Arbed of Luxembourg.

There has been speculation that if Hoesch now failed to get members of its own on to the PHW supervisory board, it might give up its merger plans and sell its newly-acquired stake.

But Hoesch sources said that the steel concern saw its PHW-O and K plans of over riding importance, and would hold fast in the belief that Herr Wolff would eventually change his attitude.

Statoil up

STATOIL, the Norwegian state-owned oil group, yesterday reported a 25 per cent rise in profits for the first half of 1984 from NKr 787m to NKr 985m ($119.5m).

BRAZILIAN AEROSPACE GROUP CARVES OUT A PROFITABLE NICHE

Embraer jets into the international market

BY ANDREW WHITLEY IN SAO JOSE DOS CAMPOS, BRAZIL

EMBRAER, the Brazilian aerospace company, celebrates its 15th birthday this week as one of a rare breed of companies in the developing world: a high-technology enterprise that has taken on the established leading Western companies in the international market place and carved out what it hopes is a permanent niche.

Legally incorporated *only* 15 years ago this week, Embraer says *it is the sixth largest aircraft maker* in the Western world *in terms of* numbers produced, and the largest in the southern hemisphere.

Turnover last year was the equivalent of $205m, with 40 *per cent of* sales revenue coming from exports. More remarkably, only twice in its history has the Brazilian company failed to declare a profit.

Its achievement of such a standing in such a short time is a tribute to the efficacy of the very Brazilian mixture of pragmatism and nationalism applied by the Government over the years to its fledgeling. It is also an example of the importance of timing, and luck in the aircraft-making business.

Embraer is one of Brazil's leading importers, bringing in engines, avionics and other sophisticated components worth between $60m and $65m a year, from a range of Western suppliers. It also has longstanding licensing agreements with Piper of the U.S. and Aermacchi of Italy in the bedrock of its 11-model production line.

At the same time, the Government prohibits the import of built-up small aircraft and regulates the domestic industry in such a way that no competitor to Embraer – Empresa Brasiliera de Aeronautica – is likely to emerge in the foreseeable future.

The concern was set up in 1969 as a state company when private industry showed little interest in what was, rightly, regarded as a risky venture. Today, 92 per cent of its $100m capital is in private hands, obtained through a tax incentive share purchase scheme. The Federal Government, however, retains control through its majority of the voting shares and nominates all its board members.

Based in Sao Jose dos Campos, Brazil's aerospace industry park, an hour's drive away from greater Sao Paulo, Embraer has 7,100 employees and is expanding fast.

A new factory to produce composite material for aircraft bodies, under licence from Sikorsky of the U.S., has recently been completed. Another, under construction nearby, will house the Brazilian assembly line of the AMX combat aircraft – a joint project with the Italian Government – if commercial production commences next year as planned.

Sr Ozilio Carlos da Silva, its Commercial Director, predicts that turnover will double over the next two to three years as sales earnings from the company's new generation of civilian and military aircraft begin to flow in. All are substantially higher sticker-price products than the manufacturer's earlier range of basic aircraft.

On its new, higher plateau, Embraer says it will be larger than Piper and on a par with Cessna and Beechcraft of the U.S.

Flag carrier for the future is the Brasilia, a 30-seater, pressurised turboprop aimed at the fast-growing commuter aircraft market in North America and Western Europe. The new aircraft, selling for just under $5m, is a direct competitor to models produced by De Havilland of Canada and by a consortium of Saab and Fairchild.

The Brasilia aims to build on the reputation of its smaller and less sophisticated cousin, the Bandeirante, Embraer's first successful aircraft of its own design and Brazil's entry card into the world market nine years ago. Over 220 Bandeirantes are in service abroad in 21 countries.

To break even on its $160m investment, Embraer needs sales of about 200 *aircraft* for the Brasilia. But the company admits it is late and it may suffer the fate of all latecomers.

So far, only 27 of the 119 options taken out have been converted into firm orders. All those orders have come from the U.S., *illustrating* Embraer's dependence on the U.S. market.

Although the company says its ideal sales *strategy* is a third civilian aircraft, a third military and a third exports of either type – with no reliance on any *single* market – the domestic Brazilian recession and the strong U.S. recovery have twisted those ratios almost out of recognition.

One crucial advantage of being a government-owned company is that Embraer is able to offer cheaper purchase financing than its rivals. Those subsidies and other fiscal benefits have already got it into hot water abroad on a number of occasions.

In 1982, Fairchild brought a complaint of unfair competition to the U.S. International Trade Commission. The plea was eventually rejected, but Embraer's sales in the U.S. suffered that year. More recently, the Canadian Government told the Brazilian Company to withdraw the 7.5 per cent financing it was offering on the Brasilia as a lure to Canadian airline operators.

Foreign military sales are also undoubtedly eased by being part of a *government apparatus*. That advantage was no doubt crucial in the conclusion last year of the company's largest sale yet, for 120 Tucano military trainer ground attack aircraft worth $181m to Egypt, and in another big sale of the Tucano to Honduras.

The Tucano is also Embraer's bid, in conjunction with Short Brothers of Belfast, in the competition being held this year by the British Royal Air Force for a new basic trainer. The deal is worth $270m to the winner. But, in this case, all Embraer would receive is royalty fees and the RAF's "seal of approval."

"It will be a good visiting card," says Sr Ozilio.

Meanwhile, a decision is expected shortly from a joint Italian-Brazilian commitee on whether to go ahead with full-scale production of the AMX, a $600m project in which Embraer has a 30 per cent stake, with Aermacchi and Aeritalia.

Financing for the Brazilian share in the project is likely to have to come almost entirely from the Federal Government, as the company, in the middle of what it says will be one of its most difficult years, has little cash to spare.

Nor are the 250,000 widely scattered private shareholders likely to participate in a significant new capital increase. Sales have seen stagnant and profits either negligible or non-existent for over three years.

In effect, Embraer has probably been carried through its present transition phase – to becoming it hopes, a bigger and more sophisticated company – through the Government's regular intervention, with extra capital or the writing off of debts.

Precise details on the Government's help are hard to come by. The company chose deliberately not to be quoted on the local stock exchanges because of the requirements that would have imposed in terms of disclosing additional information.

At a time when Brazil's public finances are coming under exceptionally severe pressure, the odds are therefore not good that the Figueiredo Government will be able to come up at this stage with the necessary cash to launch an expensive military project.

Sandvik doubles pre-tax profits

By David Brown in Stockholm

SANDVIK, the Swedish cemented carbide and stainless steel manufacturer, reported sharply improved profits for the first half after a sweeping rationalisation and has revised its forecast for 1984 earnings from SKr 500m to SKr 800m ($96.3m). Pre-tax profits for the first six months more than doubled to SKr 453m from SKr 219m. Sales climbed 12 per cent to SKr 5.5bn and costs rose by only 9 per cent to SKr 4.6bn helped by capacity cutbacks.

The group cites higher capacity utilisation, better demand and lower inventories as the major reasons for the upturn. Demand was particularly strong in both North and South America for Sandvik's major products – cemented carbides and steel.

Sales in the cemented carbides division, which produces extremely hard cutting tools, climbed 12 per cent to SKr 2.9bn. Turnover for the steel division grew 17 per cent to SKr 1.7bn.

Adjusted sales in the saws and tools division was roughly unchanged at SKr 537m, due mainly to low demand in the construction industry. All other divisions reported strong improvements.

Sandvik's result after extraordinary items of SKr 455m is a sharp reversal from the SKr 54m loss last year. That loss was mainly due to an unauthorised currency speculation, which was one factor behind a management shake-up in late 1983.

Sandvik is negotiating the implementation of a broad-ranging rationalisation agreement reached with other stainless steel makers at the start of the year under which it will become one of Sweden's two large companies operating in this sector. A number of important decisions regarding the details of production and marketing concentration must still be decided.

Jacobs plans Tidewater bid

BY DAVID BLACKWELL IN NEW YORK

MR IRWIN JACOBS, the Minneapolis investor, revealed yesterday that he was leading an investor group which is considering the acquisition of Tidewater, a New Orleans-based offshore oil services group which has a fleet of 310 vessels.

Tidewater has agreed to co-operate with the Jacobs group and to provide confidential information in connection with the study.

The Jacobs group said in a filing with the Securities and Exchange Commission that it had reached an agreement with Tidewater on August 16 under which it has until November 15 to decide whether or not to submit a formal takeover proposal.

Tidewater's shares closed at $22 on the New York Stock Exchange (NYSE) on Friday, giving it a market capitalisation of $366m.

According to the filing, the Jacobs group holds 1.49m shares worth about $32.8m, equivalent to 8.9 per cent of the outstanding shares. The stake includes 59,300 shares bought on the NYSE between April 11 and June 29 at prices of between $22.50 and $26.125 a share.

Under the terms of the agreement the Jacobs group will not, without company consent, acquire more than 15 per cent of the voting securities, engage in a proxy solicitation as long as the present chief executive remains in office or dispose of more than 500,000 shares to a single group or entity, except under certain circumstances.

The restrictions will remain in place until the end of October unless they are terminated earlier by the two concerns.

Tidewater, whose fiscal year ended March 31, reported profits of $12.5m or 73 cents a share for the year on revenues of $335.1m. In the final quarter it showed a loss of 6 cents a share.

Steady earnings and payout at NMB

BY OUR FINANCIAL STAFF

NMB, the Dutch bank, reports maintained net profits for the first half of 1984 and plans to pay an unchanged Fl 3.50 ($1.09) a share interim dividend.

The performance contrasts markedly with last week's six-month results from rival ABN which unveiled a 25 per cent decline in net profits and cut its interim dividend by Fl 2 a share to Fl 11.

Net profits at NMB were Fl 55.1m for the half year, against Fl 54.8m. The result is struck after risk provisions of Fl 290m, broadly in line with the Fl 300m set aside by ABN for the six months.

NMB said that, mainly due to lower profit margins, interest revenues declined 4 per cent. Total income eased 2 per cent to Fl 916.2m after an 8 per cent rise in income from commission.

Total costs rose 2 per cent to Fl 558.5m.

NMB said it also expects gross profits in the second half of this year to show a decline following the development in profit margins and the volume of credits.

It added it was too early to forecast whether its second-half net profit, like the first half, would be unchanged from last year. It made a Fl 100.6m profit in the whole of last year.

It expect current half gross profits to decline further following adverse developments in profit margins and credit volume.

Turnover rises 20% at Nixdorf Computer

BY OUR FINANCIAL STAFF

NIXDORF COMPUTER, which went public via the West German stock market earlier this year, expects higher profits for 1984 despite increased costs. First-half turnover rose 20 per cent to DM 1.26bn ($440m).

Nixdorf reports that orders on hand at the end of June rose by 19 per cent to DM 3.17bn, compared with a year earlier. First-half domestic sales rose 28 per cent and foreign turnover 12 per cent.

For 1983, Nixdorf posted net profits of DM 94m, on turnover of DM 2.7bn.

Foreign sales are expected to rise more quickly than domestic turnover in the current six months as the group delivers systems for major contracts abroad. The communications technology division, centred on digital telephone exchanges, showed marked growth.

During the latest half-year, fixed asset investment increased by 53 per cent to DM 145m. The company's workforce increased by 16 per cent to around 19,000.

Finnair wins hotel rights

HELSINKI – Finland's state airline Finnair is to take over the management of *Moscow's Metropol Hotel*, one of the city's best-known landmarks.

The move comes after agreement between Finnair and the Soviet Intourist organisation and will follow a link-up between the Metropol and the Intercontinental hotel chain. Finnair owns the Helsinki Intercontinental.

Finnair declined to give details of the agreement.

Reuter

Increase at food group

By Our Financial Staff

CONSOLIDATED Foods, the diversified food processing group based in Chicago, reported fourth-quarter earnings of $57.6m or $1 a share, against $53.9m or 91 cents last time.

For the year ended June 30, earnings rose strongly as forecast to $3.25 a share from $2.87, or to $188.4m from $171.3m.

Sales also showed strong growth, rising from $1.72bn to $1.85bn in the quarter, and from $6.57bn to $7bn for the year.

Esselte moves ahead

By David Brown

ESSELTE, the Swedish office supplier, graphics and packaging group which is floating its largest and most profitable division in New York next month with a share and rights issue, announced a 14 per cent rise in pre-tax profits for the first six months to SKr 310m ($37.3m).

The group also disclosed its plans to spend $20m to acquire an unnamed company within the operating area of its Letraset Graphics division soon after the U.S. offering in September.

The 3m shares are expected to raise up to $45m.

INTL. COMPANIES & FINANCE

Liberty Life in strong advance for six months

BY JIM JONES IN JOHANNESBURG

LIBERTY LIFE, South Africa's fourth-largest life assurance group, advanced strongly in the six months ended June 30 1984. The first-half's net premium income increased to R248.7m ($162m) from R207.6m while the taxed surplus from life assurance operations rose by half to R21.3m from R14.2m in 1983.

As a whole, premium income net of reinsurance was R452.9m and the taxed life insurance surplus was R33.6m.

First-half earnings increased to 143.4 cents a share from 119.3 cents and the interim dividend has been increased to 104 cents from 86 cents. In 1983 earnings were 286.7 cents a share and a total dividend of 208 cents was declared.

In March this year Liberty raised R152.2m in new share capital with the issue of 3m new ordinary shares. An undisclosed part of this additional capital was used to finance the acquisition of a 24.6 per cent interest in TransAtlantic Insurance Holdings from Lincoln National Life Insurance.

TransAtlantic's main interests are a 26.3 per cent interest in Sun Life Assurance Society and 29.6 per cent of the British property group Capital and Counties. The acquisition raised the Liberty group's interest in TransAtlantic to 75 per cent.

The chairman, Mr Donald Gordon, said that this year's earnings were expected to show a satisfactory increase over those of 1983 and that the total dividend would be in the region of 250 cents a share.

Liberty Life is 81.4 per cent owned by Liberty Holdings which has a Johannesburg Stock Exchange listing.

Atlas Copco profits soar 90% in first half

By David Brown in Stockholm

ATLAS COPCO, the Swedish rock-drilling, compressor and industrial tools group, reports a sharp rise in six months' profits due to cuts in capacity, coupled with lower interest and currency exchange costs.

Mr Tom Wachtmeister, group chief executive, predicts profits will double to some SKr 500m ($60m) by the end of the year, and repeats an earlier forecast for 13 per cent growth to SKr 9bn.

Profits for the first half, after deducting financial items, soared by 90 per cent to SKr 282m, compared with the same period a year earlier. aSles climbed 7 per cent to SKr 4.2bn, and order bookings advanced 13 per cent to SKr 4.7bn.

Operating profits after depreciation climbed by SKr 66m to SKr 440m. Interest costs declined by SKr 23m to SKr 134m, and exchange losses dropped SKr 45m to SKr 27m.

Group profit margins improved from 3.7 per cent to SKr 4.7bn.

The group reports that investments by manufacturing companies in the U.S. and, increasingly, Western Europe, are on the rise. No improvements are foreseen in the Latin American and Middle Eastern markets, however.

Renault truck unit boosts sales

BY DAVID MARSH IN PARIS

RENAULT VEHICLES Industriels (RVI), the loss-making truck manufacturing subsidiary of the state owned Renault motor group, increased its share of a slightly more buoyant French market for industrial vehicles in the first half of 1984.

Although RVI believes that a ruinous price war among competing manufacturers shows signs of slackening, the company is making no change to its earlier forecast that losses this year will be around the same as the FFr 1.95bn ($222m) deficit for 1983.

According to latest figures from the French motor manufacturers association, RVI increased its share of new heavy goods vehicle registrations to 42 per cent in the first six months of 1984, from 36.4 per cent during the whole of last year.

Total registrations in this category, including cars and buses as well as industrial vehicles, rose 7.7 per cent compared with the first six months of 1983 to 25,835 units.

RVI's better sales in the first half were principally achieved at the expense of Fiat-Iveco and Volvo, the third and fourth placed manufacturers on the French lorry market. Mercedes remained in second place with a first half market share of 20.6 per cent.

RVI is profiting from a sharp recovery in the formerly depressed North American market. But it believes the slight rise in French sales may be only temporary, pointing out that the recovery already started to peter out in June.

RVI estimates its French lorry production this year will otal around 38,000 units, up from 35,000 in 1983, and is aiming for sales of around 17,000 on the domestic civil market. The rest will represent exports and sales to the French army.

INTERNATIONAL APPOINTMENTS

Chief executive for Sikorsky Aircraft

● **Mr William F. Paul**, president of United Technologies' SIKORSKY AIRCRAFT, has become the division's chief executive. A native of Bridgeport, Conn, he joined Sikorsky in 1955. He became vice president-engineering in 1975, senior vice president-engineering and development in 1977, executive vice president in 1981 and president in June 1983. Sikorsky is the world's largest manufacturer of helicopters.

● WARNACO INC, the American-based apparel company, has promoted **Mr Larry L. Pflieger** to president and chief operating officer. Mr Pflieger has been senior vice-president and chief financial officer of Warnaco. Mr Pflieger joined Warnaco in 1976 as senior vice-president and chief financial officer, adding the responsibilities of treasurer in 1977 and being elected a director of the company in 1982.

● **Mr A. R. Ashton** has taken up the appointment of manager, Bahrain branch, LLOYDS BANK INTERNATIONAL. He was previously manager, Lloyds Bank International (Belgium) S.A., based in Brussels. **Mr C. J. Mitchell**, previously manager, Bahrain branch, has been appointed regional manager, Middle East & Africa division at head office, London. **Mr R. C. Seamer** has been appointed principal manager, Egypt, Lloyds Bank International, and in mid-October will take up his new post in Cairo. He has been serving as regional manager, Middle East & Africa division at head office, London.

● **Dr Rene Zuend** has been appointed managing director of CITICORP BANK (SWITZERLAND).

● **Mr Charles Llewellyn**, formerly senior vice-president in charge of the London operation of Chemical Bank, arrives in Bahrain next month to take up an appointment as executive vice-president and chief operating officer at UNITED GULF BANK. **Mr Henri P. Derkx**, currently general manager, becomes special adviser to the board. The post of general manager is being abolished.

● COMSAT TECHNOLOGY PRODUCTS INC has elected **Mr Donald L. Bise** president and **Mr Nelson E. Boyd** as senior vice-president, marketing, of its subsidiary COMSAT TeleSystems Inc. Mr Bise will be responsible for the general management and overall direction of TeleSystems. Prior to this appointment Mr Bise served as senior vice-president of ADC Magnetic Control Corporation in Minneapolis, Minnesota. Prior to joining TeleSystems, Mr Boyd served as vice-president and general manager for Integrated Office Systems of Northern Telecom in Dallas, Texas.

● On September 1 **Mr James R. Moffett** will become chairman and chief executive of FREEPORT-McMORAN INC. At the same time **Mr Milton H. Ward** will become president and chief operating officer, and **Mr Nils A. Kindwall** will become vice-chairman and chief financial and administrative officer. These three officers, who are also directors, will constitute the office of the chairman. Mr Schmidt, who has been chairman of the board since 1975 and chief executive for the past year, will remain a director and serve as chairman of the executive committee.

● **Mr Stanley Symon** has been appointed director of tankers at STOLT-NIELSEN, to succeed **Mr Per Heidenreich**, who is leaving the company to pursue other business interests. In August 1977, when the Stolt-Nielsen/BP Shipping agreement was made, Mr Symon was seconded to Stolt-Nielsen Inc, in Greenwich. Instead of returning to England when the secondment term was over, he decided to resign from BP and take up permanent employment with Stolt-Nielsen Inc, first as manager of the ship management department, and now as manager of the entire tanker business. Mr Symon served as chairman of the board of the Liberian shipowners' council from 1982 to 1984, and remains a member of the board.

● **Mr Nigel R. Harrison** has been appointed vice president—finance of INTERNATIONAL THOMSON ORGANISATION with overall responsibility for the financial management of ITOL. He is currently vice president and chief financial officer of International Thomson Holdings Inc, the principal U.S. subsidiary. **Mr Mark D. Knight**, secretary of ITOL, has additionally been appointed a vice president. **Mr A. J. B. Mawdsley**, financial director of International Thomson Organisation PLC (ITDPLC), the principal UK subsidiary, has decided to leave the company by the end of 1984. He will be succeeded by **Mr F. F. Higgins** on a date to be announced. Mr Higgins will report to **Mr James Evans**, who becomes managing director and chief executive of ITOPLC on January 1 1985.

INTL. COMPANIES

Abercom reduces dividend after second-half downturn

BY OUR FINANCIAL STAFF

ABERCOM, the South African engineering group which recently completed a major rationalisation of its trading divisions, has reported lower profits and is cutting the dividend.

Profits before tax and interest charges for the year ended R13.3m ($86.4m), against R14.3m a year earlier. The performance took in a substantial decline in second-half earnings which tumbled by more than a fifth to R5.4m.

The downturn has forced Abercom to cut its dividend by a quarter to 12 cents a share from the 16 cents paid for 1982-83. Shareholders are to receive a final dividend of 6 cents to complement a similar interim payment made earlier.

Group turnover totalled R222.2m, up by 7 per cent from the R208m of the previous year. With South African inflation running above 11 per cent, Abercom's sales in real terms have plainly declined.

Looking ahead to the current year, the company described the economic outlook as increasingly depressed and made no bones about the weakness of demand. However, profits after tax for this year should be similar to last year, Abercom stressed.

After tax, profits for the year were R7.06m, against R8.26m. For 1982-83 there was a loss of R5.82m from discontinued operations.

Earnings per share, excluding the losses from discontinued business in 1982-83, totalled 33 cents, against 40 cents.

Indocement to make Jakarta share issue

By Kieran Cooke in Jakarta

INDONESIA'S biggest cement company, Indocement, has applied for a licence to sell 30 per cent of its shares on the fledgling Jakarta stock exchange. The move is expected to raise about US$ 500m in capital for the company, which is controlled by Mr Liem Sioe Liong, an Indonesian businessman. Indocement has an annual capacity of more than 4.7m tons from a number of plants throughout Indonesia. It plans to raise its total capacity over the next three years to 10m tons.

The Liem Sioe Liong group of companies, which has estimated assets of $7bn has quickly grown to become one of the dominant forces in the Indonesian economy, controlling businesses ranging from supermarket operations to cold steel rolling plants, from petroleum refining to noodle making. The group has controlling interests in a number of domestic and foreign banks including the Hibernia Bank of San Francisco and First Pacific Finance, a Hong Kong based merchant bank. First Pacific Holdings in Hong Kong is the group's main international holding company. It also has a 51 per cent stake in Hagemeyer, the Dutch trading company.

Flat demand limits growth in net earnings at CBFC

BY OUR SYDNEY CORRESPONDENT

CBFC, THE Australian government-owned Commonwealth Bank's finance company arm, has reported a 5 per cent improvement in net earnings to A$17.5m (U.S.$14.7m) for the year to January, the sluggish growth reflecting a decline in interest margins under the pressure of strong competition and flat demand.

However, demand for funds increased sharply in the final quarter with new business written in this period up from the average of A$120m for the opening three quarters to A$228m, an industry-wide pattern, which augurs well for the current year.

The pressure on margins is expected to remain strong as CBFC and other finance houses battle to maintain or increase their market shares in a more competitive, deregulated environment.

CBFC ended the year with net receivables up by 14 per cent to A$1.11bn, with 75 per cent of the growth coming in the final three months.

Banco di Roma abandons plans for Bahrain OBU

BY MARY FRINGS IN BAHRAIN

BANCO DI ROMA is closing its one-man representative office in Bahrain next month, after abandoning plans to upgrade it into an offshore banking unit (OBU). The office was opened early in 1981.

An official of the Bahrain Monetary Agency (BMA) expressed disappointment that Banco di Roma had been unable to develop its office as originally planned. Rather than maintain it at a cost of some $250,000 a year, the bank has decided to service the Gulf region from Rome. However, because of an increase of Italian business in Iran, it has re-activated its Tehran office, which had been unstaffed for some time. A full commercial branch is operating in Beirut.

Banco di Roma's departure from Bahrain follows that of Banque de l'Union Europienne, which also had a single representative.

N. AMERICAN QUARTERLY RESULTS

ALBERTA NATURAL GAS

Six months	1984 C$	1983 C$
Revenue	142.3m	140.9m
Net profits	11.3m	9.2m
Net per share	0.62	0.51

ASBESTOS CORP.

Second quarter	1984 C$	1983 C$
Revenue	17.1m	24.6m
Net profits	†3.07m	†3.53m
Net per share	†1.08	†1.25
Six months		
Revenue	32.9m	46.7m
Net profits	†9.09m	†7.67m
Net per share	†3.20	†2.70

†Loss

CANADA NORTHWEST ENERGY

Third quarter	1983-84 $	1982-83 $
Revenue	82.4m	69.5m
Net profits	37.0m	23.9m
Net per share	2.50	1.64
Nine months		
Revenue	25.8m	23.4m
Net profits	14.7m	8.3m
Net per share	0.99	0.56

CARNATION
Dairy & Food Products

Second quarter	1984 $	1983 $
Revenue	832.2m	803m
Net profits	50.8m	47.7m
Net per share	1.46	1.33
Six months		
Revenue	1.7bn	1.61bn
Net profits	112m	105.5m
Net per share	3.22	2.91

DOMINION STORES
General grocery outlets

First quarter	1984-85 C$	1983-84 C$
Revenue	518.1m	574.4m
Net profits	3.58m	3.43m
Net per share	0.22	0.21

FIRST AMERICAN FINANCIAL

Second quarter	1984 $	1983 $
Revenue	64.3m	49.5m
Net profits	5.95m	4.15m
Net per share	2.39	2.08
Six months		
Revenue	116.4m	86.2m
Net profits	8.68m	5.04m
Net per share	3.60	2.52

HECLA MINING

Second quarter	1984 $	1983 $
Revenue	31.7m	41.4m
Net profits	19.3m	12.4m
Net per share	0.72	0.46
Six months		
Revenue	67.5m	74.7m
Net profits	23.6m	22.6m
Net per share	0.88	0.84

SCIENTIFIC ATLANTA
Cable TV, satellite equip

Fourth quarter	1983-84 $	1982-83 $
Revenue	111.1m	97.0m
Net profits	3.6m	4.7m
Net per share	0.15	0.20
Year		
Revenue	398.9m	326.6m
Net profits	11.8m	370,000
Net per share	0.50	0.02

APPOINTMENTS and CONTRACTS

Over £8m projects for J.M. Jones

J. M. JONES & SONS, Maidenhead, has been awarded contracts with a total value of £8.73m. Largest is a 95,000 sq ft research, development and production centre with a reception link area, on a site adjacent to Slough Trading Estate. Worth £4.1m, the building is for the Water Authorities Superannuation Fund, with completion scheduled for May 1985. The company is also engaged on two high technology buildings, totalling 80,000 sq ft, for the Rockfort Group. The £3.2m buildings are at Maylands Avenue, Hemel Hempstead, and are for completion in June 1985. A three-storey office building with car parking on the ground floor is being built at St Johns Road, Isleworth, for Altbarn Properties. Worth £704,000, it is for completion in May 1985. J. M. Jones is also carrying out alterations, extensions and modifications of existing factory and offices at Cumberland House, Bracknell, for Mobax Securities. The work, which is due for completion in February 1985, is worth £687,000.

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A two-storey extension of 650 sq metres to an office block and a single storey factory extension of 1,300 sq metres are covered by a £1m contract awarded to WIMPEY CONSTRUCTION UK by Norgine. The extension will have steelpost and beam framework with cladding of pressed metal and glazed walls. The roof will be of pressed metal and the upper floors of prestressed, precast concrete. Work will be completed in about 12 months and includes refurbishment of existing offices and the factory as well as external works.

★

J. JARVIS & SONS has won nine contracts worth over £5.8m in the north and south of England. The largest is a £1.7m renovation project for Manchester University. The company is also constructing £720,000 office accommodation and repairing fire damage at the Wylex Works of George H. Scholes and carrying out a £595,000 office refurbishment for Town and City Properties in Manchester. At Barrow-in-Furness work is under way on a £800,00 roll store for Bowater-Scott. In London, flats in Lowndes Square are being upgraded at a cost of £750,000 for Sun Life Properties and £530,000 office alterations and extensions are under way for the City of London Building Society. At the Hurlingham Club, SW6, the company will make additions worth £47,000 to existing premises and at the Trocadero, W1, a £250,000 shop-fitting project will be completed for The Covent Garden General Store. The British American Tobacco Co is having a £230,00 library conversion in Southampton.

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MOWLEM MANAGEMENT, in partnership with ERNEST IRELAND CONSTRUCTION, have won their first management contracting scheme in the south west. Valued at just over £2m, it is for the extension of the court and committee rooms at County Hall and for a new fire brigade headquarters, both at Dorchester, for Dorset County Council. Work has started, and will be carried out in two phases. The first comprises construction of additional committee and magistrates' courts accommodation. The are will tie into the existing building and will have reinforced concrete floor and roof construction supported on load bearing brick and block work walls. The second and larger phase will be a separate wing or County Hall to provide a new fire brigade headquarters and some additional office space. The building will have a steel frame, concrete floors and a copper roof to blend with the existing complex. Cladding will be brickwork between the windows, matching the existing. It is expected that contract will be completed by spring 1986.

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TAYLOR WOODROW MANAGEMENT AND ENGINEERING (TWMEL) has been awarded a contract to design and manage the construction of a £1.3m power station on the small South Atlantic island of St Helena. The order has been placed by the Overseas Development Administration on behalf of the Government of St Helena for a 1¾ MW diesel power station on the island. The contract follows a study by TWMEL completed earlier this year on behalf of the Government of St Helena. The plant will replace the existing 650 kW power station which is now inadequate for the needs of the island's 5,500 inhabitants. Power is expected to be generated by the plant by the end of 1985.

★

TAYLOR WOODROW CONSTRUCTION has returned to Whitbread's Western Brewery at Magor, Gwent, to design and build extensions to the maturation and fermentation buildings under a £550,000 contract. Work on the maturation building entails construction of a series of external vessel bases in reinforced concrete and enclosed corridors at ground floor level. Work also involves the completion of the extension of the fermentation building, by adding glazed external cladding and a suspended concrete roof slab to the foundations and frame built previously. The project is scheduled for completion in November.

Plenty of work for Costain

The COSTAIN GROUP has won contracts worth around £5.9m. Nesma-Costain Process Company, the Saudi Arabian operating company of the UK's Costain Process, has been awarded the construction of a 50,000 tonne per year capacity lube oil blending plant in Jeddah by the local joint venture company Saudi Arabian Markets and Shell Lubricants Co (SASLUBCO). The contract is valued at around £3.5m and is due for completion in June 1985.

Costain Construction, Rickmansworth, has won a £1.4m contract to build a regional secure unit at Ealing Hospital, in Southall, Middlesex, for the North West Thames Regional Health Authority. The building will be partly one and partly two storeys and will have a floor area of around 1,950 sq metres. Work includes design and construction of timber roof trusses together with external works. The 87-week contract is due for completion in early-1986.

A. Streeter and Co, a member of the Costain Group, has commenced work on the Wyke Regis main drainage contract, a part of the Weymouth and Portland drainage scheme. The contract, valued at just under £1m, is being undertaken for Weymouth and Portland Borough Council under the supervision of the Borough Engineer. The works to be carried out in the 72-week contract period include the construction of 1.4 km of gravity sewers and pumping main together with 330 metres of segmental tunnel.

★

SINDALL CONSTRUCTION has started work on the following: Great Surrey House, Blackfriars Road, SE1, for William Sindall (Blackfriars Development) for completion in August 1985 (value £1.7m); extension to Northminster House, Peterborough, for the House of Orange Developments, Harrogate, for completion in April 1985 (value £515,000).

Marples wins £8.4m Hong Kong order

MARPLES INTERNATIONAL has been awarded an £8.4m contract for the construction of a road and associated structures in the New Territories, Hong Kong. The contract, which also involves site reclamation works, bridges and a subway, forms part of the Ma On Shan Development, being undertaken by the Government of Hong Kong as an extension to Sha Tin in the New Territories.

APPOINTMENTS

NatWest security chief designate

Mr David Powis, deputy assistant commissioner (crime), New Scotland Yard, is to be controller (designate), of the NATIONAL WESTMINSTER BANK'S security section from September 3. Mr Powis will subsequently take over from the present controller, Mr Sam Agnew who retires on January 31.

★

Mr William Michael West has become managing director, Lancashire Evening Post, at Preston, and Mr Ronald Anthony Shaw will be managing director, Blackpool Gazette and Herald. Both men are currently deputies in their respective offices. Mr R. K. Walker, managing director, Lancashire Evening Post since August 1974 has resigned from September 1. Mr John Grime, managing director at Blackpool for the past eight years, is relinquishing the appointment to take early retirement. The companies are in the United Newspapers group.

★

Mr Alan Thompson has been appointed joint marketing director of NORBAIN ELECTRONICS. He was managing director of Newey and Eyre Electronics Distributors.

★

Mr J. G. Ackers has been reappointed for a further period of three years as a part-time member to the MONOPOLIES AND MERGERS COMMISSION. He is chairman of Ackers Jarrett Leasing.

★

J. SAVILLE GORDON GROUP has appointed Mr Cyril A. Goggin to the board. He has been with the group 17 years, the past 10 as managing director of a subsidiary, J. Saville Gordon.

★

Mrs Alison Wright and Mr Frazer Sedcole have been appointed members of the board of the COMMONWEALTH DEVELOPMENT CORPORATION for a period of three years. Mrs Wright is an economist and since 1973 she has regularly written reports for the Economist Development Unit. Her previous experience includes four years as a research officer for the Overseas Development Institute during which time she published a book, "The Less Developed Countries in World Trade." Mr Sedcole is a vice-chairman of Unilever. He is also a member of the British Overseas Trade Board.

★

BERKELEY EXPLORATION AND PRODUCTION has appointed Mr David Michael Dixon to the board as a non-executive director. He is senior partner of Withers, and chairman of Elf (UK).

★

Air Marshal Sir Ian Pedder has been reappointed as a member of the CIVIL AVIATION AUTHORITY from September 1 for a further four months.

★

Mr Gerard W. Organ has been appointed deputy managing directors of S. W. TAYLOR & director of TIRFOR. He joined the company in 1957 as company secretary, and was appointed financial director in 1968.

UK COMPANY NEWS

Overseas business difficult for Marchwiel

A NEAR £1m increase in profit to £7.37m has been shown by Marchwiel in the half year ended April 30, 1984, and the directors expect a "satisfactory outcome" to the full year although trading conditions are not completely favourable.

The order book for the UK construction companies is at a reasonable level but the position overseas is "quite different." Many developing countries throughout the world have cut back on their capital programmes and orders are now difficult to obtain "at anything like reasonable margins."

Marchwiel is a group of civil engineering, housebuilding and property development companies, among which is the Sir Alfred McAlpine combine.

The directors say that its liquid resources and cash "are as strong as ever" and they are continuing their policy of linking dividends to progress by lifting the interim from 3p to 3.5p net. For the year ended October 31, 1983 the total was 9p from pre-tax profits of £19.5m.

In the half-year, turnover advanced by £24m to £144.53m. The net profit came out at £4.24m (£3.73m) and earnings at 11.7p (10.2p) per share. An extraordinary charge of some £4m for deferred tax will be made in the year's accounts. Comparisons have been restated to account for an associated company on an equity basis.

The UK construction companies have equired several large orders. In particular, the contract fo rthe new shipbuilding construction facility at Barriw-in-Furness for for Vickers Shipbuilding and Engineering, is the largest civil engineering ocntract placed in the UK this year.

Marchwell is also making progress with its objective of becoming a truly national contractor, and has recently acquired Whatlings, a leading Scottish contractor.

In Nigeria work has been suspended owing to the Federal Government Immigration Authorities insistence that expatriate staff are repatriated pending completion by the Federal Authorities of the formalisation of the group's presence there. "Nevertheless we are still hopeful of a satisfactory outcome for this project."

Most other companies continue to make good progress. It is possible that further expansion in the private housing sector will include overseas acquisitions.

After a slow start to the year, because of reduced demand, coal interests in South Africa have improved and a good year is anticipated.

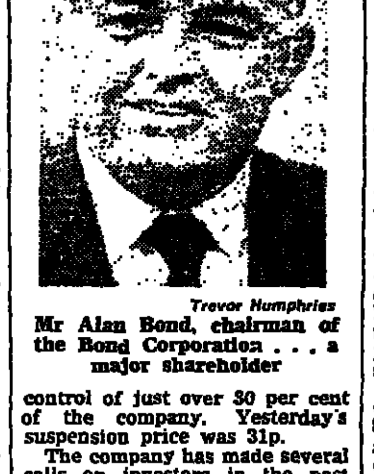
● **comment**

The news from Marchwiel was satisfactory and yet not good enough to excite the market which marked the shares down 6p to 210p on results for the six months to April. The pick up in orders for the UK construction companies helped to raise UK pre-tax profits to £5.9m. The housing division did well, too, and is on target to build over 1,000 houses this year. House building is the main area where Marchwiel is looking for a suitable acquisition in the U.S. It has plenty of cash, having more or less maintained the £36m level of the year end, and the search should have unearthed the right company before the end of the financial year. Marchwiel's South African coal mining operation, the 40 per cent owned Optimum Collieries, was the main motor behind overseas earnings in the last six months and mining generally is performing better than the overseas construction interests. Marchwiel should be able to make £22m for the year but the budget has added quite a fiscal burden to the P & L. A £4m extraordinary item for deferred tax will be included at the year end and a tax charge for the year of around 45 per cent is likely. At 210p the shares sell on a rather lacklucstre p/e of 6.

Airship Industries suspended at 31p

THE SHARES of Airship Industries, the USM-quoted airship manufacturer, were yesterday suspended on the Stock Exchange. A statement on the reasons for the suspension is expected today.

The shares were last suspended in December of last year, in advance of a £7m rights issue. As a result of the issue—at 56p per share — Australian entrepreneur Mr Alan Bond took control of just over 30 per cent of the company. Yesterday's suspension price was 31p.



Trevor Humphries

Mr Alan Bond, chairman of the Bond Corporation . . . a major shareholder

The company has made several calls on investors in the past five years, to meet the costs of developing a range of successively larger airships. In the six months to September 1983 the company made losses of £2.3m.

Production to date consists of five airships, of which one was sold last month to Japan Airlines. One of the company's airships was also used to provide aerial TV coverage of the Los Angeles Olympics.

Avana

Avana Group, the foods group, is expected to make further progress in the current year, says Mr J. S. Randall, the chairman, in his annual statement. For the year ended March 31, 1984, pretax profits rose from £13.06m to £17.34m.

At the R. F. Brookes subsidiary, however, this year has started poorly. Appropriate steps have been taken to improve its performance and the board is confident of a stronger contribution in the winter months.

HIGHLIGHTS

Lek looks at the latest wrangling over the Minet agency compensation in the light of the Lloyds market as a whole and then examines the Swedish stock market, now busily into its reporting season, in the wake of fresh waves of overseas buying interest. The column also analyses the use of the FT SE (or Footsie) futures and options facilities to hedge UK equity risks in view of the study produced by the London Business School. Elsewhere, the results from Marchwell, Blagden Industries and Vibroplant are considered, as is the sudden increase in the stake held by Suter in James Neill and the decision to suspend dealings in Airship Industries.

Blagden profits up by 47% with trend likely to continue

CONTINUING THE improvement experienced in the second half of the last full year, Blagden Industries saw pre-tax profits rise by nearly 47 per cent in the 25 weeks to June 24 1984.

The interim result was a surplus of £1.76m against £1.2m for the comparable 26 weeks term, and is accompanied by a 0.2p rise in the midway dividend to 3.5p net per share. Last year's total was 6.8p.

The directors of this manufacturer of steel drums, plastic products and chemicals, state that demand for the group's products has been well maintained since the half year end, and add that present indications for the second half are favourable.

The improvement was reached on turnover which rose by only 8 per cent from £33.03m to £35.83m. All the group's divisions contributed to the sales increase, a breakdown of which reveals the following: manufactured and reconditioned drums and casks in UK and overseas £15.66m (£14.75m); plastics mouldings £7.05m (£6.42m); plating and transformers £1.24m (£1.04m); chemicals £10.17m (£9.37m); industrial and protective equipment £1.71m (£1.46m).

Profit at the operating level came out at £1.99m, up from £1.43m, with the UK steel drums division adding most at £1.01m against £799,000. The loss in plating and transformers was cut by £142,000 to £97,000. The directors state that action has been taken to arrest these losses and this has involved the closure of the satellite plant at Bloxwich.

The return anticipated from plastics was below expectations, falling from £242,000 to £228,000. The contribution from steel drums overseas also dropped, from £238,000 to £229,000. Chemicals added £389,000 (£247,000) and industrial protective equipment £227,000 (£140,000).

Interest charges took an unchanged £225,000, and the £670,000 tax bill (£360,000) reflected the Budget taxation changes.

Attributable profits, before an extraordinary credit of £98,000 (£73,000 debit), were almost doubled from £573,000 to £1.07m, from which the higher dividend took £502,000 (£351,000).

The company retained £567,000 (£149,000), and quotes its earnings per share as 8.8p, an increase of 3.4p.

In the last full accounting period Blagden reached taxable profits of £2.61m on turnover of £67.2m.

● **comment**

If Blagden Industries could attract just half the limelight attracted by City Investing, its 29 per cent shareholder, the contradictions of a low share price rating coupled with good, recuperative growth would be a thing of the past. But as the City board ponders the dubious delights of management buy-out proposals and pre-emptive "greenmail" stakes, Blagden is looking at a multiple of about 7.3 on average capital, assuming £3.6m pre-tax for the full year and a 38 per cent tax charge. So, even after a rise yesterday of 11p to 125p, the share price is not going to allow Blagden to build another leg of the business with its own paper. Not unless the recovery takes profits up to and beyond the 1979 peak, not unless a scrip or something of that order frees an undoubtedly tight share market and not unless more aggressive distribution takes the shares into the investment houses which Blagden has not already reached. The 47 per cent interim advance disguises the sluggishness of those operations, injection moulding for example, where Blagden still seems happy to slug it out in commodity businesses rather than adopt the fashionable "niche" concept of corporate investment. But even so, Blagden, like so many other second-tier managements, must have cause to wonder why this lengthy bull market has bypassed so comprehensively its own industrial upturn.

Hogg Robinson expanding personal finance side

FOR A consideration of some £1.6m, the Hogg Robinson Group of insurance brokers is significantly expanding its personal financial planning services by acquiring Wilson (Insurances), an insurance broker based in Salisbury.

For many years Wilson has provided "unique and specialist" insurance and financial planning services to military organisations and personnel, principally the Army and Royal Marines. Hogg says the combined expertise of both Hogg Robinson (Personal Financial Planning) and Wilson will enable services in that field to be strengthened and offered more widely.

The purchase consideration will be met by the issue of 722,233 ordinary shares in Hogg, not ranking for the recently announced final dividend. Application will be made for a listing, and some 500,000 of the shares will be placed through the market with clients of Hogg's stockbrokers.

There is a deferred consideration of up to 16,667 additional Hogg shares, payable in 1986 on a formula to the extent that the profits before tax of Wilson for the 21 months ended March 31 1986 exceed £650,000. For the nine months to June 30 1984 Wilson made profits of £74,653, and net assets at that date were £205,711.

Hill Samuel

Shareholders of Hill Samuel Group took up 91.2 per cent of the 17.79m shares offered by way of rights issue. The balance has been sold in the market and the excess over the subscription price of around 51.37p per share will be distributed pro-rata among the provisional allottees whose rights have not been taken up.

Astra Industrial listing halted

THE SHARES of Astra Industrial Group, which has interests in property, engineering, investment dealing and leisure, were temporarily suspended on the Stock Exchange yesterday at the company's request pending an announcement.

Astra is expected to make an announcement in the next few days. The shares, which have traded this year in a range of 19p to 10½p, were suspended at 12p, unchanged from Friday's close.

In March there was a boardroom change at the company, when Mr Peter Dellar replaced Mr Dennis Dukes as chairman.

Asrta's profits declined from £1m pre-tax in 19379 to £210,000 for the year to the end of April 1983. But interim profits for the period to the end of October 1983 were up from £24,000 to £68,000.

Vibroplant cuts exposure in video jukebox venture

LOSSES SUSTAINED in the second half by the video leisure division, although reduced substantially from £1.25m to £247,000, have slowed the recovery rate at Vibroplant. After showing a midterm profit of £1.3m the group has turned in £1.86m for the year ended March 31 1984, compared with £534,000.

However, no further losses will be incurred, and in the current year the group will receive the full benefit of plant hire earnings without the recurrence of those losses in leisure.

The company, which is a subsidiary of Ackers P. Investment Company, is to pay a final dividend of 5p for a net total of 8p for the year, compared with 7.3625p.

Turnover moved ahead from £16.4m to £20m, with plant hire accounting for £17.74m (£15.29m) and leisure £2.27m (£1.12m). Profit from plant hire was £2.1m (£1.78m).

The improved performance in plant-hire has been achieved despite the depressed level of construction activity that persisted. The specialist divisions continued to perform satisfactorily but competition remains very fierce over the entire range of services, the directors report.

VI Leisure, the video jukebox venture, incurred trading losses in the second half because of the failure of a major customer, and in the light of these changed circumstances an extraordinary provision has also been necessery to reduce assets to "more appropriate levels." The scale of the activity has been substantially reduced.

After tax £960,000 (£236,000) and minorities credit £12,500 (£18,000), the net attributable profit was £909,000 (£316,000) for earnings of 15.15p (5.28p) per share. The extraordinary debit was £416,000.

In the current year, demand for plant hire continued at last year's level but margins will remain under severe pressure

● **comment**

VIBROPLANT has finally faced the music in its venture into video juke boxes. This attempt to diversify away from the highly cyclical plant hire business has cost the company a total of about £2.5m before tax relief over the past three years, which converts down to £1.5m after tax allowances. Following the collapse of the main customer, London and Liverpool Trust, Vibroplant has run down VI Leisure to level where it breaks even. This leaves, the company again wholly dependent on the worthy but unexciting plant hire business, which saw a strong improvement in the first half peter out in the second. With no sign of a renewed surge in construction in the current year prospects are dull—but at least the profits made will not be diverted elsewhere. The balance sheet is stronger than a year ago with a cut in borrowings from £6.8m to £4.6m bringing gearing down to about 40 per cent. A slight increase in the share price yesterday, up 3p to 136p, is a measure of the market's relief that things are no worse. At these levels the 8.4 percent yield is the main, and probably only, attraction for shareholders outside the controlling Pilkington family.

Brent has 2% stake in Canning

W. Canning, the speciality chemicals, metals and electronics manufacturer and supplier, have identified Newlash Properties, a wholly owned subsidiary of Brent Chemicals International, as owner of 2.2 per cent of the issued capital of Canning.

Canning made the announcement yesterday following its own investigation into registered nominee shareholders.

The investigation, begun last month, found that Newlash started purchasing Canning stocks earlier this year and has since accumulated a total of 373,000 ordinary shares.

Brent Chemicals, a specialised chemical manufacturer, has common interests with Canning which include metal finishing operations and metal phosphating.

Mr Ron Brown, the finance director of Canning, said yesterday, "our shares have been the subject of speculation lately and the investigation was undertaken as an informative measure for our shareholders."

He added that the investigation may have the advantage of prompting Brent to disclose its intentions in this investment.

In the financial year ended December 31 1983, Canning's pre-tax profits rose by 91 per cent to £1.53m, on sales of £49.1m. This compared with profits of £801,000 on turnover of £45.7m a year earlier.

In yesterday's trading on the London stock market the share price of Canning remained unchanged at 109p, which values the company at £18.5m.

Equipu in cash registers deal

Equipu, the USM company which specialises in the sale, leasing and servicing of office equipment, has acquired BCG Shop Equipment from Mr G. K. Ward, Mr B. G. Hendy and Mr E. A. W. Griffin.

BCG is principally engaged in the sale, lease and hire of cash registers in the south and west of England, through branches in Bristol, Reading, Plymouth and Paignton.

The audited accounts for the year to March 31, 1984 show a net asset value of £340,933 and pre-tax profits of £168,145. However, adjusted to reflect Equipu's own accounting policies, net asset value becomes £249,684 and taxable profits £132,044.

The initial consideration of £325,000 has been satisfied by the issue of 236,364 new ordinary shares in Equipu.

A further payment, equal to BCG pre-tax profits for the 13 months ending April 30, 1985, will be made in shares based on a price of 137.5p. Another payment, equal to BCG pre-tax profits for the following 12 months, will be made in shares, based on the average middle-market price over the seven days either sideof May 1, 1985.

If the number of shares to be issued would exceed 10 per cent of the Equipu issued capital at the timeof such issue, the excess of the consideration may at Equipu's discretion be paid in cash instead of shares.

Equipu lifted pre-tax profits in the year ended April 30 1984 by 64 per cent to £875,640 (£543,471). Turnover rose by 28 per cent from £6.68m to £8.55m.

Mr Philip Bradshaw, the chairman, says in his annual statement with the accounts that sales and profits in the first two months of the current year have shown an increase over the corresponding period of 1983 and he looks forward to this year with confidence.

The chairman believes the company is stronger in all divisions. He looks forward to a year of continued expansion from the extension of its branch network and the development of its existing divisions and acquisitions in related activities.

West Midlands bakery expands with acquisition

Greggs announces the establishment of a West Midlands division through the acquisition of 90 per cent of the share capital of Charles Bragg (Bakers) of Alum Rock, Birmingham.

Braggs currently operates a bakery and 20 shops in the Birmingham area, and also wholesales speciality bakery products. Net profits before tax for the year ending March 31 1984 were £85,610 on turnover of £3.68m, and the book value of the fixed assets as at March 31 1984 was £655,600.

The consideration for the acquisition of the 90 per cent shareholding, which was completed on August 16 1984, was £810,000. Greggs has an option exercisable during 1987 to acquire the remaining 10 per cent of Braggs on a basis to be determined by reference to the audited profits before tax of Braggs in either of the financial years ending March 31 1985 or 1986, whichever is the higher, as follows:

If profits are £150,000 or less, the consideration for the remaining 10 per cent of the issued share capital will be £90,000;

If profits are £250,000 or more, the consideration will be £190,000;

If profits are between £150,000 and £250,000, the consideration paid wil be pro rata to the profit level achieved.

Of the initial consideration, £271,000 will be in cash and £539,000 in 7 per cent 10-year loan notes guaranteed by 3i.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Blagden ....int	3.5†	Oct. 1	3.3	—	6.8
Derek Bryant ....int	2.35	Oct 1	2	—	6
Emray ....int	0.3	Jan 3	0.25	—	0.75
Marchwiel ....int	3.5	Oct 12	3	—	9
Scottish Eastern ......int	1.6	Oct 29	1.65	—	3.35
Vibroplant	5	Oct 15	4.64	8	7.26
York Mount ....int	2	Nov 23	2	—	5

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock.

UK COMPANY NEWS

Derek Bryant reaps benefit from U.S. business with £0.6m

AN INCREASE of 18 per cent in actual dollar brokerage income has helped Derek Bryant Group to a continued increase in taxable profit in the six months ended June 30 1984.

The half way result for this USM quoted Lloyd's insurance broker was £604,000, against a restated £503,000. With "encouraging signs that insurance rates are hardening and soft market conditions are coming to an end," Mr Derek Bryant, the chairman, is confident that the group will be able to surmount any difficulties that arise and continue to develop and expand the business.

With a substantial proportion of the group's business generated in U.S. dollars, the exchange rate has a material effect on results. In the period under review, the rate was favourable.

The interim dividend is lifted from 2p net per share to 2.35p, last year's total being 6p.

Comparative results have been restated in line with the recently adopted policy of selling dollars forward.

Income increased from £1.15m to £1.62m, of which interest receivable contributed £147,000 (£139,000), but there was also a substantial increase in expenses which rose from £647,000 to £1.02m.

Tax took more at £307,000 against £260,000, and minorities accounted for £7,000 (nil). There was an extraordinary credit of £24,000 last time, and after dividend payments totalling £52,000 (£44,000) the group retained £238,000 against £223,000.

Earnings per share are given as 13.16p, up from 11.68p.

Commenting in detail on the results, the chairman states that apart from an increase in accommodation costs following a recent review which was backdated to May 1983, operating costs have also risen generally.

In accordance with the policy of broadening the business base, the company has recruited new business producers and other staff. This has an immediate effect on staff costs, but he is confident that the results of these efforts will be increasingly reflected in the figures submitted to shareholders in the years ahead.

Mr Will Darrah, the president and principal shareholder of Will Darrah & Associates Inc., sold his business in April this year due to ill health. The group is keeping in close contact with the new owner and there is no reason to believe that the long standing business relationship between it and Darrah & Associates will not continue.

Emray profit doubled to £0.44m in first half

MORE THAN doubled profits have been achieved in the first half of 1984 by Emray, the financial services and motor distribution group which recently afiled to fight off the attempts of a consortium to get board representation.

Turnover rose by nearly 57 per cent, from £7.42m to £11.74m, but the pre-tax profit advanced from £202,000 to £443,000. This is largely the result of further steady progress from the motor division and the significant uplift that was planned from the finance companies. The directors remain confident that 1984 will again show satisfactory results;

In 1983 the company initiated interim dividends with a payment of 0.25p. This year this is being stepped up to 0.3p, at a cost of £70,000 (£58,000), and the final is expected to be not less than the previous 0.5p.

After tax £30,000 (nil) the net profit is £413,000 (£202,000) and earnings work out at 1.9p (0.87p) per share.

After a bitter battle throughout July, a consortium consisting of Mr Murdoch Morrison, Mr Ben Anderson, and Mr Edward Denison were elected to the Emray board.

Sharp pay increases at Dee Corpn.

THE 1984 annual report and accounts of Dee Corporation reveal sharp increases in pay for the directors and senior eecutives of this food retailing group.

Total directors' emoluments jumped from £427,000 to £683,000 in the group's last financial year ended April 28, 1984. Six directors now earn more than £55,000 per annum (previously the six highest were in the £10,000-£45,000 bracket), while four of these make between £65,001 and £75,000. Mr Alec Mark, the chairman's, emoluments increased from £52,376 to £75,922.

The number of senior executives in the UK earning over £30,000 per annum is 16, with four receiving between £50,001 and £55,000. In the previous year, only one earned more than £30,000.

As reported on July 26, group pre-tax profits for the 52 weeks to end-April 1984, jumped by 66.7 per cent to a record £28.31m, compared with £16.99m previously. Total turnover amounted to £1.39bn, an increase of £477m which was mostly attributable to the supermarkets operation.

Mr Monk says in his annual statement that the year's trading was very successful and the new year has started off well. All major subsidiaries are trading ahead of the previous year's levels and the group is currently on target for another year of good profit growth.

Mr Monk goes on to say that trading profits for the group's supermarket stores in England and Wales increased from £7m to £18.7m, which reflected an estimated £9.7m contribution from the former Key Markets stores. The Gateway and former Frank Dee supermarket stores increased their contribution by 28.5 per cent.

This improvement was achieved though priority was given to the former Key Markets stores in the revamp and refit programme during th esecond half of the year. The contribution of the former Key Markets stores, after interest, was an estimated £6.5m in 10 months. This was more than double their profit in the previous year, which included the Coalville, Ringwood and Loughborough superstores that were sold following the acquisition of Key Markets.

On future prospects, Mr Monk says the benefits of a full year's contribution from the former Key Markets stores wil be realised for the first time in the current year.

The extensive revamp and refit programme will take two more years to complete, a common product range is being implemented during the current year and the significant scope for improving distribution arrangements is only beginning to be realised.

At Carrefour there was a significant improvement in profitability and similar progress is expected in the current year. Referring to Linfood Cash & Carry, the chairman says that competition remains intense, the trade is plagued with excess capacity and the small trader continues to decline under competitive pressures.

Meeting, Savoy Hotel, WC, on September 18, at noon.

York Mount jumps 43% to £120,000

WHILE TURNOVER of York Mount Group, the building, property rental and printing group, rose by 14 per cent from £1.14m to £1.3m, pre-tax profits for the first half of 1984 were 43 per cent higher at £120,000, against £84,000 last time.

The directors say that because of an anticipated increased turnover in the second half of 1984, it is expected that there will be an improvement in profitability in the period, as compared with the first half.

Activity in the building section is gaining impetus, they state, and further work will start in the next two months. A large proportion of this work will be completed during 1984.

The net interim dividend is again maintained at 2p per 10p share—directors holding 2.46m ordinary dividend amounting to £49,630 net. Last year, a total of 5p was paid on £104,000 pretax profits.

Tax charge this time took £13,000 for the half-year giving a net surplus of £107,000 (£84,000). Earnings per share rose from 2.1p to 2.7p.

The group's industrial investment properties are now almost fully let with a rent roll of £178,000 per annum. Rent reviews on a number of properties will take place as from January 1 1985.

Development work is now virtually completed. Terms for the letting of the top floor of Ebor Court, Leeds, have been agreed at a rent in excess of £5 per square foot with a "first class" tenant, the directors report.

The printing subsidiary continues to be busy, although profits were slightly down at the half-year stage.

Hong Kong Telephone 21% ahead at halfway

A 21 PER CENT increase from HK$192m to HK$232m (£22.6m) in pre-tax profits is reported by Hong Kong Telephone (Telco) for the first half of 1984. Turnover during the period was up from $1.3bn to $1.6bn, an increase of 19 per cent.

In February this year, Cable and Wireless purchased 79.3 per cent of the issued share capital of Telco, which is Hong Kong's public telephone service.

An interim dividend of 50 cents is being paid compared with 43 cents in the corresponding period last year.

The Telco directors have proposed that a scrip dividend scheme be implemented whereby shareholders will receive, in lieu of the first interim dividend, an allotment of fully paid-up shares. Shareholders will also be given the option of receiving payment in cash instead of the proposed allotment of shares in respect of all or part of their shareholding.

The introduction of the scrip dividend scheme will have the effect of delaying the payment date of the first interim dividend, payable in September.

The proposal is conditional on shareholders passing the special resolution at a meeting on October 16.

Scottish Eastern lower

PRE-TAX profits at Scottish Eastern Investment Trust fell from £2.79m to £2.63m in the six months to July 31 1984.

The directors explain that a good relative performance in the UK constituent of the portfolio was outweighed by a decline in the value of the company's holdings in Japan due to the disproportionate influence of the financial sectors of that index.

They add furthermore that the exercise in currency hedging, to protect the portfolio against the effects of a weakening U.S. dollar, "has proved premature," and the costs of this move have resulted in a further brake on performance.

Net asset value per share after deducting prior charges at par rose from 166.7p to 167.5p.

An increased interim of 1.6p, up from 1.5p, will be paid, and the directors intend to recommen a final of not less than 1.9p, 0.05p higher than last time.

They state that since the end of the period under review world stock markets have experienced a healthy upward move and the overseas portfolios, in particular, have enjoyed more than their due share of this rise.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purposes of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims: Carpets International, De Beers Consolidated Mines, Dewey Warren, Fife Indmar, Laurence Gould, Rentokil, Standard Chartered Bank.

Finals: Global Pedriase, Polytechnic Marine, SelecTV.

FUTURE DATES

Interims—

BICC	Sept 6
British Alcan Aluminium	Aug 23
Brixton Estate	Sept 18
Dewhirst (I. J.)	Aug 29
Dufay Bitumastic	Aug 28
Good Relations	Aug 22
Lec Refrigeration	Aug 30
Mersey Docks and Harbour	Aug 24
Scottish Northern Inv. Trust	Aug 31
Wilson (Connolly)	Sept 4

Finals—

Apex Properties	Aug 22
Dale Electric International	Aug 23
East of Scotland Onshore	Aug 31
Fleet Holdings	Aug 30
Harmony Gold Mining	†Sept 14
Industrial Finance and Invest.	Aug 30
Kennedy, Smale	Aug 24
[illegible]	—
Land Investors	Sept 4
Pengkalen	Aug 27
Press Tools	Aug 23
Reliance Industrial	Aug 30
Whitworth Electric	Aug 30

† Amended.

UK COMPANY NEWS

Fleming Mercantile sells Sloan Hospitals

Fleming Mercantile Investment Trust says agreement has conditionally been reached for disposal to H. S. Medical Services, parent company of AMI Hospitals, of the whole of the share capital of Sloane Independent Hospitals. Sloane is a 97.4 per cent subsidiary of Fleming Mercantile. Consideration of approximately £9m is receivable in cash.

Sloane operates a private hospital at Beckenham and has substantially completed construction and equipment of another at Blackheath, South London.

For the year to January 31 1984 consolidated profits before tax for Sloane were £66,000 and at that date its net assets were £6.11m.

Sloane became a subsidiary of Fleming Mercantile in 1982 following a start-up period during which financial results of Sloane had been below expectations.

Since then, Fleming Mercantile has spent substantial sums increasing the size of the Beckenham hospital

Sloane has achieved a stage of maturity and profitability where it is possible to realise an attractive return on funds invested, and accordingly, Fleming Mercantile is taking this opportunity to dispose of its interest.

Grovebell bid for Marshall's lapses

The board of Grovebell announced yesterday that offers for the whole of the issued share capital of Marshall's Universal, the vehicle distributor and paper merchant, have lapsed due to insufficient acceptances.

The terms of Grovebell's £6.5m offer were three for one ordinary share and five for each preference share. Grovebell also had a cash alternative which Marshall claimed would result in a capital loss of 33 per cent for ordinary shareholders.

Grovebell, the motor trading finance group, said yesterday it had received 400,709 acceptances for ordinary shares, representing 2.48 per cent of that class. It had also received acceptances of 328,807 preference shares which accounted for 16 per cent of that class.

Marshall's had resisted the bid and claimed that Grovebell's parent company, Sonesta Investments, artificially pushed down Marshall's ordinary share price by selling shares prior to the takeover bid, making the offer appear more attractive.

Suter lifts Neill stake to over 10%

Suter, the refrigeration and air-conditioning group headed by Mr *David Abell, has increased its* stake in hand tool manufacturer James Neill from just under 5 per cent to 10.74 per cent (7.925m shares).

James Neill chairman, Mr J. H. Neill said yesterday, "we have not had any contact with Suter—we have not had any particular cause to. We are working on the basis that Mr Abell sees our shares as a cheap investment."

Mr Abell was not available for comment yesterday. Mr Neill said "I was about to invite him *to lunch on the basis of his* existing holding, when I got today's telex. I gather he is on holiday."

Family holdings in James Neill total around 30 per cent of equity, and a further 6.7 per cent is held by the company's own pension fund. The largest single shareholder is Equity Capital for Industry, with just under 12 per cent; Suter's latest purchase makes it the second largest.

Under Mr Abell's direction, Suter has for some time pursued an active policy of acquisition and strategic shareholdings. This has seen it bid unsuccessfully for Francis Industries, offering about £14m from its 26 per cent shareholding platform.

Suter also has a stake of some 20 per cent in Lake & Elliott, and is now discussing possible steps to industry retrenchment with at least one of its competitors in steel castings.

It is understood that Mr Abell believes that the recent trading *performance of James Neill has* taken it outside the scope of a full bid. Neill's interim figures are expected in the next few days. For the full year to end-1984, City analysts are projecting profits of up to £1.5m pre-tax, against last year's £198,000.

*Mr Abell, a former BL execu*tive, began his entrepreneurial career in 1980 with the purchase of Suter Electrical, then a small supplier of hairdressing equipment. He then bought the Prestcold refrigeration business from his old employers. Mr Abell has the reputation of having been an active and highly successful stock market operator on his own account in the past.

Mr David Abell

Ansbacher's £11m for U.S. investment bank

BY MARGARET HUGHES

Henry Ansbacher Holdings, the London-based merchant bank, announced yesterday that it has exchanged contracts for the acquisition of Laidlaw Adams and Peck, the New York investment bank, subject to shareholders' approval. Ansbacher added that details of the proposed $15m (£11.1m) acquisition had now been sent to shareholders.

A third of the purchase price is to be paid in cash at or *shortly after completion, and* will be funded from Ansbacher's internal resources. The remainder will be paid in five equal instalments, starting on the first anniversary of the completion date.

These instalments will be either in cash or Ansbacher may issue new shares which would be placed in the market with the proceeds going to the vendor's (Laidlaw's) stockholders. Ansbacher's market capitalisation was £28.80m at the close of trading yesterday. This excludes the £14.5m convertible subscribed to by Pargesa Holdings and Groupe Bruxelles Lambert SA in June of this year.

On completion of the deal, the U.S. businesses of Ansbacher and Laidlaw will be merged under the umbrella of a new company to be called Laidlaw Ansbacher Inc. Laidlaw is registered with the Securities and Exchange Commission and is a member of the New York and American stock exchanges, as well as the New York Futures Exchange.

In the financial year to April 27, Laidlaw reported an increase in pre-tax profits to $2.51m, up from $1.38m in the previous year. Yesterday Ansbacher noted that Laidlaw's trading performance in the current year had been "*affected like that of many* U.S. securities firms," by the underlying adverse stock market conditions prevailing

It said, however, that both its board and the Laidlaw management are "confident" in the underlying strength and potential of Laidlaw's business.

Ansbacher's own pre-tax profits dropped by £1.95m to *£273,000 in its last financial* year to March 31, and the dividend was cut by 1.5p to 2p net. Yesterday, however, the bank re-affirmed that the current profit trend is "satisfactory", and if this is maintained, the board intends to restore the dividend for the full year to the level of 3.5p paid in 1983. It aims to do so by declaring an interim dividend of 1.5p when it announces its half year results—usually in the second week of November.

SHARE STAKES

Unitech—Mr P. A. M. Curry, a director, and his immediate family have disposed of 28,258 ordinary shares. Mr J. A. H. Curry, a director, has disposed of 10,319 ordinary shares.

F. Pratt Engineering—Mr W. G. Friggens, a director, has sold 20,000 at 57p and now holds 30,000 shares.

Y. J. Lovell—N. E. Wakefield, chairman, has increased his holding by 6,500 shares to 132,250.

Glossop — Colas Products has purchased 100,000 shares at 68p.

Immediate Business Systems—Mr A. E. B. Goodfellow, a director, has sold 20,000 shares at 37p.

First Leisure Corporation—Mr J. O. Conlan, a director, has disposed of 83,000 ordinary shares acquired under a share option scheme.

Town Centre Securities—50,000 shares have been sold out of a non-beneficial trust of Mr L. A. Ziff, the chairman.

Lancashire & London Investment Trust—The British Rail Pension Trustee Co is now interested in 395,000 ordinary shares (9.88 per cent).

Wm Morrison Supermarkets—Mr K. J. Blundell, a director, has transferred a beneficial interest in 71,000 ordinary shares from his personal holding to family trusts. Mrs M. J. Blundell has transferred a beneficial interest in 71,000 ordinary shares from her personal holding to family trusts.

J. Sainsbury — *Following a* transfer of shares the beneficial interest of D. Sainsbury, a director, has been reduced by 1.04m shares.

Singlo Group—Mrs M. B. Allen holds 6,400 5 per cent cumulative Preference shares (6.1 per cent).

Anvil Petroleum — Lord Torrington and his family have disposed of 8,557 Ordinary shares out of their rights entitlement of 11,507 new Ordinary shares and have taken up the balance of 2,950.

... **Vantona Viyella**—Mr J. L. Hewitt, a director, has sold 6,750 Ordinary shares at 218p and now holds 3,650 Ordinary.

Vickers Da Costa—Mr K. Horne, a director, has sold 70,000 "A" shares and bought 5,000 Ordinary shares. Mr B. Horne, a director, has sold 80,000 "A" shares and bought 7,500 Ordinary shares.

BIDS AND DEALS IN BRIEF

Aico Western Investments has acquired a further 90,000 ordinary in W. A. Tyzack, lifting its holding to 1.21m (24.2 per cent).

* * *

Forminster has purchased 25,000 (0.7 per cent) of its own ordinary shares at 152p for cancellation.

* * *

Following a placing by C. H. Beazer of 2.07m Braham Millar ordinary shares, Beazer is now interested in 9.69m Braham Millar ordinary shares (77.13 per cent of the issued share capital).

* * *

Societe Generale de Surveillance Holding SA, a Geneva-based international inspection company, has acquired Lawrence Collateral Services, an international collateral bonding company in London. SGS was previously a 50 per cent shareholder.

340p offer for London Park Hotels

By Alison Hogan

MR NURDIN JIVRAJ, the Asian hotelier, has made a £13m bid for the outstanding capital of London Park Hotels, formerly Rowton Hotels, at 340p per share.

The offer has been made by Rushlake, a subsidiary of his hotel group Park Hotels and Properties International, which has just taken its stake in London Park to 52.81 per cent, by buying out the 23.58 per cent stake of another Asian hotelier Mr Nazmu Virani.

Mr Virani, who had built up his stake in recent months through the Virani Group and the publicly quoted company Belhaven Brewery, sold his shares at 340p each in a deal worth £3.06m.

Rushlake would like to end up with around 70 per cent of the equity of London Parks. If it receives more than 75 per cent it will place shares with institutions to bring its stake down to an acceptable level, so that London Parks can keep its public quotation.

Grindlay Brandts are advisers to Rushlake and Hill Samuel are advisers to London Park.

Inchcape/FUEL

Following a recent approach by Gray Mackenzie Overseas, a wholly-owned subsidiary of Inchcape, to Furness Underwater Engineering Ltd (FUEL), an agreement has been reached for the purchase by Gray Mackenzie of FUEL.

In line with Inchcape Group strategy, the acquisition of FUEL complements Gray Mackenzie's existing marine, engineering and support services to the worldwide oil and gas industry.

It will expand Gray Mackenzie's specialist engineering capabilities at the same time as providing FUEL with access to the international strengths of the Inchcape Group.

FUEL offers technical, engineering, design, procurement and project management services to the offshore oil and gas industry specialising in subsea and marginal field technology.

Trevian in talks

Trevian Holdings, property investment and development concern, is holding discussions with a third party, which may lead to a substantial investment being made in the company.

Trading in the shares of Trevian, which are dealt in on the Granville over-the-counter market, have been suspended pending an announcement by the company.

MINING NEWS

Associates give Dome Mines loss in first half

BY GEORGE MILLING-STANLEY

REDUCED OUTPUT of gold, *lower prices for the metal and* higher operating costs combined to bring about a further reduction in the profitability of Canada's Dome Mines group in the second quarter of the year.

The group, Canada's biggest gold producer, reported a net loss for the first half of the year after absorbing its share of losses made by its 26.7 per cent-owned associate Dome Petroleum.

The net loss for the six months was C$10.83m (£6.3m), with C$9.36m of this being incurred in the three months to the end of June.

The latest loss compares with profits of C$25.2m at the same stage of last year. Stripping out the effects of Dome Petroleum's problems, Dome Mines would have recorded net profits for the first half of C$13.7m, down from C$52.4m the year before.

The biggest single factor behind this decrease in profitability was the absence in the latest period of an extraordinary gain of C$26.6m from the sale last year of the investment in another Canadian natural resources group, Denison Mines.

Dome also suffered from a fall in gold production from 225,429 oz a year ago to 212,221 oz, a lower average gold price and costs associated with the start-up of the new Detour Lake gold *mine, which came into production* last November.

Detour Lake, which lies 125 miles north-east of Timmins Ontario, is owned as to 50 per cent by Campbell Red Lake Mines, in which Dome Mines has a 57 per cent stake. Amoco Canada Petroleum, a subsidiary *of Standard Oil of Indiana, owns* the remaining 50 per cent of Detour Lake.

The new mine has suffered a number of problems since coming into operation, including difficulties in achieving the right "break" as the ore is blasted from the open pit, failures in the grinding circuit and ore grades which were below expectations.

Reduced half year profit shown by Tronoh Mines

A REDUCED half-year net profit of M$1.94m (£635,200) equal to 19 cents per share, compared with M$2.96m in the same period of 1983 is announced by the Malaysian tin-producing Tronoh Mines. The latest interim is reduced to 24 cents from 25 cents last time when the subsequent final was 40 cents, all payments being less tax at 40 per cent.

On the latest occasion there has been a fall in interest and dividends received and also in the share of profits of associated companies. Tin concentrate production was cut back but sales of concentrates increased to 159 tonnes from 151 tonnes, albeit at *slightly lower prices.*

Tongkah Harbour has made a good comeback with a net profit for the full year to June 30 of M$891,000 compared with M$133,000 in the previous 12 months when the tin dredge was shut down for about three months in all because of repairs and the need to restrict output in view of tin export controls.

A final dividend only of 23 cents less tax at 40 per cent is declared for 1983-84 compared with a single payment of 5 cents for the previous year.

IN BRIEF

THE Australian Government has raised no objection to the British Petroleum group's proposed pre-emptive purchase of the remain*ing 25 per cent of the Temora* gold prospect in New South Wales, according to Samantha Exploration and Samson Exploration.

The two last-named companies had intended to purchase the 25 per cent stake from a private Australian group for A$3m (£1.9m). The other 75 per cent is held as to 56.25 per cent by Seltrust Holdings which, in turn, is 75 per cent-owned by BP while the latter's wholly-owned AIH Gold has the remaining *18.75 per cent of Temora.*

Samantha and Samson have withdrawn their earlier offer for the 25 per cent of Temora but say that they have entered into a new option with the vendor which increases the consideration by A$300,000 in view of "new developments which have enhanced the attractiveness of the Temora venture."

TECHNOLOGY

EDITED BY ALAN CANE

BUSINESS GRAPHICS

Computer images on the slide

By GEOFFREY CHARLISH

DIGITAL RESEARCH, a major microcomputer software supplier, is offering a £1,495 combined hardware and software package that will allow companies with an IBM or ACT Apricot personal computer to make their own 35 mm slides for immediate use at presentations. *Offerings to suit other* computers will be made if the demand arises.

The move is unusual since to date, most of Digital's business, largely in software, has been conducted on an OEM basis and through big software distributors. According to Eileen Stroud, retail sales manager for Northern Europe, the slide-making package is the first of a number of products that will be sold direct to retailers, in this case the "top 10" IBM dealers, offering about 50 retail outlets throughout the UK.

There can hardly be a single executive above middle management level who has not had to prepare "visuals," *either* on slides or overhead foils, at one time or another. The new Digital system, called Presentation Master, allows anyone, after a short familiarisation period, to sit down and produce a slide, ready for projection, in five minutes or so. A tutorial disk is provided, together with a diagnostic disk to ensure error-free setting up and use.

Presentation Master appears to have largely overcome the problems of existing systems of this kind, which can be rather expensive and often produce "notchy" graphics and text, due to poor resolution, particularly evident on diagonals.

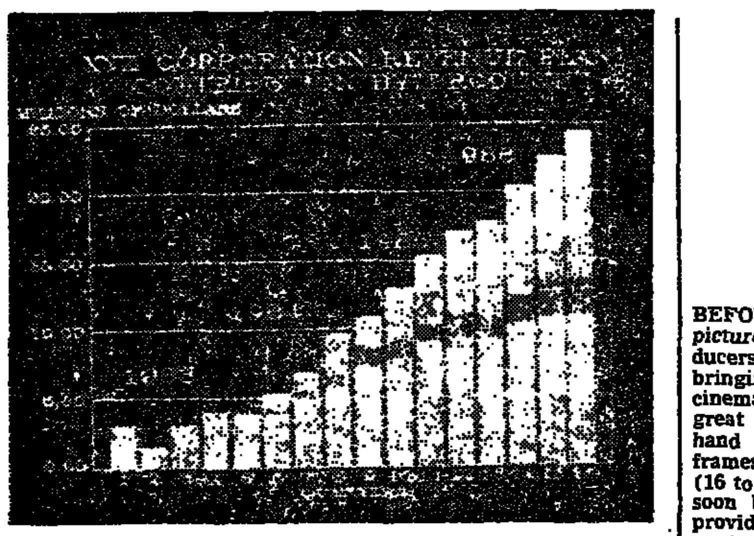
Key to the higher definition is a version of Polaroid's Pallette, on which the slide contents are recorded from a high definition tube at the same time that they appear on the monitor of the personal computer (which is used merely to compile the slide).

The graphics software to make slides is the company's DR Draw and DR Graph, which yield high resolution graphical output. The key to reproducing this satisfactorily is a special version of the "Pallette." This is a box which is plugged into the PC to produce pictures in black and white at 640 x 400 pixels (picture element) resolution—about four times that of the IBM PC monitor.

On-screen slide composition deploys the PC and Digital's GSX graphics software extension to the operating system (CP/M, PC-DOS or MS-DOS). The various portions of the slide are tagged by the user for colour. The Pallette reads these colour instructions and during *exposure of the 35 mm film*, photographic filters are moved through the optical path to produce the chosen colours on film.

This arrangement, apart from enhancing the definition, also allows choice of eight from 32 colours to be made, whereas the PC monitor displays only four.

The definition achieved on the slides, although it falls short of good photographed artwork, is likely to be acceptable for most business slide applications. The main point is that the cost per slide is between 30p and 50p. A slide produced traditionally can cost almost as many pounds and will take days to produce.



This is a typical graph transferred from the computer screen into a 35mm slide by the Presentation Master system from Digital Research.

The slides are automatically *exposed on "instant" colour* transparency film using a Minolta camera body (with auto-wind), screw-mounted at the back of the Pallette. The exposed 35 mm film is run through a "dry" processing unit to produce the transparencies in about two minutes. The pack*age even includes a unit that* guillotines the roll into separate film frames and encloses them in plastic mounts ready for projection. An alternative 4 x 3 inch attachment allows instant prints to be made.

Considerable versatility in composing the slides is provided by the software. For example, using DR Graph, it is possible to enter figures from electronic spreadsheets such as Supercalc, Multiplan or Visicalc, chose a format from a menu of choices, depress a key—and see the resulting graph immediately. Format changes, from bar to pie chart for example need just a few keystrokes.

DR Draw is a rudimentary *computer-aided design program* in which almost any line and shape can be combined with text. Organisation and flow charts, maps, logotypes, even technical drawings can be assembled. After any element has been placed on the screen it can be moved, copied, or *changed, with "zooming"* facilities for more detailed work. Colour, line style and fount are all controllable.

Digital Research foresees widespread use in corporate accounting, finance directorates and marketing departments — not to mention Britain's 3,000 advertising agencies. More on 0635 35304.

UK SCIENTISTS DEVELOP SPACE EQUIPMENT TO TEST SUN'S RADIATIONS

Shuttle to monitor solar atmosphere

BRITISH ENGINEERS have finished work on a package of experiments to fly on a U.S. space shuttle next year to monitor radiation from the sun.

The Coronal Helium Abund*ance Spacelab Experiment* (CHASE) will be one of 14 items of specific hardware on the third mission of Spacelab, the reusable space workshop built by the European Space Agency and now owned by the U.S. National Aeronautics and Space Administration.

CHASE was built by the Science and Engineering Research Council's Rutherford Appleton Laboratory in Oxfordshire and the Mullard Space Science Laboratory of the University of London. In the equipment, detectors will map the intensities of selected lines of radiation from the sun.

The studies will give scientists more information about the solar atmosphere. For example, researchers may learn more about the composition in the atmosphere of helium, the abundance of which scientists think has changed little for billions of years.

With detailed figures for the volume of the gas in the atmosphere, researchers may thus be able to refine their models for the "Big Bang," the event thought to have triggered off the creation of the universe.

Scientists are particularly interested in radiation from the solar corona, the outer layer of the sun which is visible from the earth only during total eclipses. The solar corona is at a very high temperature. As a result, it produces strong lines of radiation emitted from ionised atoms.

A telescope built into CHASE will channel radiation from the sun to a spectrometer which in*cludes 12 special detectors*, each built to receive an emission line of particular interest. The crew of the shuttle will control the apparatus with a computerised unit, for example to change the way that the hardware analyses the radiation

PETER MARSH

How to put colour into old movies

Video & Film

By JOHN CHITTOCK

BEFORE colour film for motion *picture cameras existed, pro*ducers did have one way of bringing colour movies into the cinema. With cheap labour in great supply, teams of girls hand coloured the individual frames of black-and-white film (16 to every foot). The process soon became industrialised by providing stencils, and even a pantograph system for tracing the image outlines to cut the stencils.

Technology is never short on surprises, because the process has been revived—at least in a modern, electronic version. An American system recently enabled London's National Film Theatre to screen a colour version of the black-and-white Laurel and Hardy film *Helpmates.*

The process, Colorization, adapts a Dubner graphics computer—an electronic image processing system used by the video industry to create special effects. This is made to display a television image of the first frame of every scene, which is coloured electronically by careful human control. After a scene has had its initial frame *coloured, computer control of* subsequent frames in the scene automatically "reads" any change in supbject shape caused by movement and alters the shape of its superimposed colours to correspond. If a major change occurs in the scene, such as the appearance of a new object, the art director intervenes and assigns appropriate colours.

The end result is a colour videotape, which can be transferred to colour film if required. But the most likely application is to provide colour versions of old black-and-white TV productions.

The application exemplifies the trend reported frequently in this column for film and television to not only move closer together, but even become integrated in a mix of the best *of both worlds. Another new* process which is the quintessence of this philosophy has just become available in the UK as a commercial service.

Imported from Sweden where it has been developed, Profilm EFC uses film techniques to simplify and cut the cost of video editing. Introduced into UK by Filmatic Laboratories in *association with The Mike* Fraser Group, it enables a producer to shoot on video, edit on film (with all the flexibility and economies that film editing provides) and finish up with a high quality video master.

Other processes provide similar conveniences but Profilm EFC takes the technology much further to what looks like the ultimate and most logical marriage of video and film.

For videotape productions, Filmatic first provide the producer with film rushes transferred from the tape. These rushes are edited in a conventional film cutting room—viz. at a leisurely pace where changes can be easily made, tried and tested and where the overhead charge is not ticking over at £250 per hour as can happen in video editing suites.

The edited film print already carries on each frame the standard videotape time code—imprinted there when the rushes were first made. In the subsequent process, this time code is transferred on to a floppy *computer* disc. The original unedited videotape (which carries the time coding subsequently printed on the film) is now controlled by the computer disc — automatically advancing to the precise sections where the time code signals that each shot should start and end, missing unwanted sections.

As each shot is located, it is transferred automatically to another videotape in the correct position of the "edited" assembly. To avoid the first tape forever rewinding or advancing from extreme positions, the computer takes the shots in whatever order they come and seeks out the appropriate "window" on the recording tape before dropping them in.

Electronic titling can be added, and of course automatic control of colour grading *shot*-by-shot. And if the producer wishes to originate on film in*stead of video, albeit ending up* with a videotape, virtually the same process can be used.

With film origination in this way, there is no need for the negative to be cut. Its own edge coding appears on the edited rushes, and is recorded on the floppy computer disc, which then automatically controls the selection of shots on the negative as they are transferred via telecine on to videotape. The negative image is electronically reversed to a positive on transfer, eliminating one generation of duplicating.

One important advantage of the system is the speed with which transfers can be made, due to the computerised control of the order in which shots are searched for and transferred. This leads Filmatic to claim that "edits" of between 70 to 150 *per hour are possible*—against little more than six or seven per hour in expensive video dubbing suites.

Thus the flexibility and convenience of film editing is made available for productions ending up as videotapes, but at a production cost which is competitive with video editing. The system offers various other benefits, such as the ability to drop in slides or change shots quickly and cheaply.

Both Colorization and Profilm EFC exemplify how video is exploiting old technologies. *Another* example of this is video's answer to hi-fi stereo sound, also available now on new VCRs. Sony has just introduced into the UK their Beta Hi-Fi, which has already aroused great interest in the U.S. With the rival VHS version of hi-fi stereo also available, consumers will find that hi-fi sound on video is going to be the next craze for a time. Certainly it will give a boost to music on video, which is already becoming very popular.

It begins to look as if developments in video are reaching a plateau and the next few years may be a period of refinement rather than revolution. Old ideas re-invented perhaps, others grafted on to video. The technical and commercial developments of the future are probably here already. Only *the packaging or re-packaging* waits to be done.

Automation

Turnkey robotics

THORN EMI continues to consolidate its position in robo*tics following the acquisition* a year ago of Hazmac, the materials handling company, a marketing agreement with Yaskawa in Japan, and the acquisition of the Workmaster robot from Cambridge Electronics Industries.

Now, Hazmac *has signed* an agreement with IBM (UK) under which it becomes one of the latter's authorised manufacturing system integrators. The Thorn EMI company will thus be able to move into light electro-mechanical and electronic assembly. *It believes this is growing faster* than any other robotic ssector and estimates *it is worth* £10m *annually* in the UK.

Hazmac will design and supply turnkey robotics systems incorporating IBM's four axis SCARA machines. They offer the high repeatability needed for electronics industry assembly and can be connected to other data processing equipment. More on 0628 34645.

CAD

Integrated manufacture

COMPUTER aided design company, Pathtrace in Epsom, Surrey is to launch a system costingf rom £15,000 at the end of September. The company has developed an integrated manufacturing system capable of turning computer generated designed in ONC machine tool programmes.

The system is based on the ACT Sirius personal computer with colour graphics, two monitors, plotters, printer and digitising tablet. More details from the company on 03727 42444.

THE MANAGEMENT PAGE: Small Business

EDITED BY CHRISTOPHER LORENZ

Women in business

A case of sink or swim

Sandra Fox took over from her late father. Elaine Williams reports.

SANDRA FOX was just 18 when she took over the Everyday Tool Company, a small engineering supplies business started 28 years ago by her father, Ken Fox.

Sandra had been in business hardly a year when her father died unexpectedly. That was nine years ago. Today the company has managed to survive the recession and has a turnover of about £90,000 a year—more than double the sales at the time of her father's death. And the company is now earning profits of more than 20 per cent on turnover.

Given the effects of the recession on UK manufacturing industry and the consequent competitiveness in the engineering supplies business, Everyday Tool's recent financial performance is no mean achievement. And Sandra Fox now has plans to expand since factories in the Birmingham area are beginning to think in more certain terms.

Immediately following her father's death, Fox admits: "My mother and I nearly sold the company, but then we decided to give it a try." Both had little business experience. Her mother, Eileen Fox, had been a housewife for 20 years, while Sandra had left school at 16 to take a one-year commercial course at the local college.

"At that time we didn't have a clue what we were doing," she admits. Neither she nor her mother knew anything about engineering supplies—for example the size of drills and screws, or what a particular tool asked for looked like.

Their problems were compounded by Ken Fox having kept all stock and other details in his head rather than on paper, though he kept formal lists of his customers.

She was determined to learn. She studied the business when the shop was closed and started compiling a dictionary of engineering terms by scanning through technical books. Often customers used their own name for a particular part rather than the official one. If she didn't know what a component was when a customer rang, she would give herself more time by saying: "I'll check the stock and come back to you."

It was this determination which won the admiration of many customers. Peter Barnett, a buyer with Armstrong Screws and Fixings, is a long-standing customer. He says: 'She sticks to it. You have got to admire her guts and she is straight and pleasant to work with."

Barnett adds: "They're not the cheapest for supplies. However, you can leave them to it and they give excellent service."

It is this service, rather than price competitiveness, that Everyday Tool has identified as its niche. "Sometimes we deliver two or three times a day to a customer," says Fox. A lot of the larger merchants have deliveries that number of times a week.

The recession has led to many companies holding the minimum of stock, often waiting until they have empty shelves before re-ordering. "Nothing makes me move faster than to hear that a machine is standing idle for want of a part," says Fox.

It is a business where she knows all her customers and suppliers by their first names. Her office and shop are in a residential street about 10 minutes from the centre of Birmingham. Everyday Tool supplies about 70 local factories in the area including Talbot, which has just given the company a contract to supply its three largest factories in the Midlands, including Coventry. Today, it supplies about £1,000 worth of tools and cleaning supplies to one Talbot factory a month. The new order could be worth three times as much.

Hugh Hou…

Sandra Fox: "Nothing makes me move faster than to hear that a machine is standing idle."

More than 1,000 items are in stock. It is not just engineering parts that the company is asked to supply. "When the Pope visited the city, we supplied rope to hold up the flags." On a more regular basis, Everyday Tool also sells down-to-earth goods such as toilet rolls, rubber gloves and household cleaners. This now accounts for about half the business.

Sometimes the company has even carried out smaller errands such as buying stamps and postal orders for customers while on the way to deliver the usual order. The smallest order may be only £200 a month. "It is the little things you have got to bother with which get the big orders," says Fox.

Such closeness to detail has paid off in that all the customers left at the time of Ken Fox's death still buy from the company today.

A growing element of the business is the supply of special tools—jibs and fixtures—made from customers' engineering drawings. This has come out of her contacts with tool makers. She is keen to build up a special components business, which involves looking at engineering components to find the correct parts needed. With this in mind Fox is considering bringing in an extra employee with specific engineering knowledge.

In brief . . .

LOCAL authorities should consider granting more direct help to stem the tide of village shop closures, says John White, Retail Officer for the Council for Small Industries in Rural Areas. White told a recent conference that he does not advocate direct subsidies but that councils should reimburse shopkeepers for specific services — "for example, collecting library books, acting as a message centre for district nurses and home helps, providing an advice centre on behalf of the local authority, or acting as 'community caretaker' for elderly or disabled people."

Added White: "Most people imagine the life of the village shopkeeper to be idyllic, without appreciating the degree of expertise and hard work the job involves. Village shops make very little money for their owners, who can work long hours for very little profit."

●

THE South Cumbria and North Lancashire Business Expansion Fund has raised more than its £250,000 minimum subscription. First announced in June, this local fund will be managed by a subsidiary of licensed dealers Sabrelance and will be advised by accountants Coopers and Lybrand. The fund's initial success is in contrast to the fate of the Valleys of Enterprise Trust (VET), another North West BES fund which failed to reach its target of £0.25m earlier this year.

●

THE London Enterprise Agency (LEntA) has relaunched its Marriage Bureau bulletin, which seeks to link private investors with new small businesses. The bulletin was discontinued when LEntA switched to a programme of monthly presentations by entrepreneurs to groups of investors. These have proved highly successful with more than 50 per cent of the participants getting investment.

LEntA believes small firms are now less reluctant to part with their equity and has revived the bulletin to meet the growing interest shown both by investors and entrepreneurs. LEntA is also joining forces with the Bristol-based Venture Capital Report for its autumn programme of presentations, which start on September 13. Enquiries about the Marriage Bureau to Peter Lovell at LEntA, 69 Cannon Street, London EC4. Tel: 01-248 4444.

Small Business Confidential | VENTURE | YOUR BUSINESS | SMALL BUSINESS MATTERS | small firms' outlook

They want you to read all about it

Tim Dickson reports on publications for small businesses

DROP INTO the office of any small, but fast-growing American company and the chances are you'll find a copy of *Venture Magazine* or *Inc*.

These two business periodicals—both launched in the late 1970s—have been among the fastest-growing magazines of any kind in the U.S. during the past five years (according to independent figures from Folio, the Connecticut-based publication read by other publishers). Between them *Venture* and *Inc* reached an estimated 700,000 subscribers last year.

In view of this success and the widespread interest in small firms this side of the Atlantic, it is no surprise that entrepreneurs in Britain have recently been tempted to cash in on a similar market.

Just under 12 months ago, for example, Graham Sherren, formerly chief executive of Morgan Grampian Holdings, and Roy Assersohn, former city editor of the Daily Express, bravely launched *Your Business* in an effort to capture the independent business reader. Sherren, whose Centaur Publications has so far spent £650,000 on promotion and claims a circulation of 32,000 copies, is convinced that the market is there despite what he admits is a disappointing response from advertisers so far and the untimely departure of Assersohn last week to pursue his own interests.

Next month, however, the competition will get hotter when a rival in the form of *Venture UK* appears on the British news-stands. Owned by a new company called Redwood Publishing in which Chris Curry of Acorn Computers fame is the major shareholder in a private capacity, *Venture UK* (which is in no way related to its U.S. namesake) will not be spending as much as *Your Business* on its initial launch. It is clear, however, that battle has already commenced since both publications (surely no coincidence) are planning a survey of Britain's 100 fastest-growing unquoted companies for their September editions.

Venture UK and *Your Business* are two of the most prominent of a growing and diverse range of publications specifically aiming to educate, inform and (in some cases) entertain, the smaller business manager. Moreover, besides independent publishing ventures such as *Small Business Confidential*, *Small Business Matters*, and *Small Firms' Outlook* — three editorial-only monthly or bi-monthly newsletters which have sprung up in the past year or so—other publications can be seen as essentially competing in the same market place. They include the lobby groups' own mouthpieces (viz the National Federation of Self-Employed and Small Business's *First Voice*), the Department of Trade and Industry's *In Business Now*, National Westminster Bank's giveaway *Small Business Digest* and numerous more specialist periodicals such as *Mind Your Own Business* (office equipment) and sections of the trade press.

With few exceptions experience so far suggests that making a lucrative living from small business publications is proving more elusive than in the U.S., where the market is so much greater, where business will much more readily seek outside advice, and where a much more sophisticated network of support services has been developed.

William Page decided to try his luck in mid-1983 after resigning his job as a researcher at Butterworth's, part of IPC. Keen to publish some sort of magazine on his own he hit on *Small firms' outlook* after listening to a Radio 4 phone-in programme about starting a business. "I was amazed how many people had no idea what sources of help were available and where to look for advice," he recalls. Using mainly direct mail he claims to have 500 subscribers—"it's been slower than I expected"—most of them business people who have set up within the last couple of years. Page sub-contracts typesetting, printing and editorial, getting practitioners like consultants and lawyers "to write articles which readers preferably can act upon."

Page admits to being a little surprised that given all the free Government advice and information individuals are still prepared to pay £19 a year, though he found that the original £28 subscription was too high. Not so *Small Business Confidential*, another monthly newsletter which has been going a year and is aimed at companies with fewer than 20 employees and turnover of under £1m. SBC claims a circulation of 7,000 to 8,000 despite a full annual subscription of £75 — almost four times that asked for by Page.

Heavy promotion through direct mail and newspaper advertising — with substantial discounts and free trial offers—appears to be doing the trick. Robert Troop, managing director of privately owned Stonehart Publications, maintains that *Small Business Confidential* has been one of the most successful of the group's string of business and investment orientated newsletters.

The same cannot be said for *Small Business Matters*, a bi-monthly "relaunched" as editorial-only last October by journalist Heather Rivett and management consultant Geoffrey Willies. Previously owned by ECC Publications, the title—which made a thumping loss when it was a conventional magazine—is once again up for sale and will have to be closed if a buyer cannot be found. Willies admits that he and Rivett have lost thousands of pounds. "The big weakness," he explains, "has been the poor response from our direct mail shots. We have aimed it at businessmen who have got over the early hurdles but do not have professional advisers around them."

He adds: "I don't think there is as big a market as the media would have us believe."

One of their most interesting exercises was a *Small Business Matters* readership survey, which concluded that many businesses object to the adjective "small." (As a result, the name was latterly changed to *Business Matters*.)

Back at *Your Business*, significantly Sherren says the drive is on "to reach the growing business with 25 to 200 employees. The fact is," he adds, "it's been a thrilling but tough 12 months.

"With hindsight we should have gone monthly, not fortnightly, from the start and we should have aimed it straightaway at the more ambitious type of business. But we are in good shape. I have been involved with a lot of new magazines and there is not one I know which has not taken three years to get established."

Sherren says the June issue was the first to make a profit, July and August "not surprisingly" lost money, but he expects to make money again in October. At the moment the print run is 37,000 of which about 4,000 of the 15,000 which are sold through bookstalls are being returned. Of the 22,000 who receive their copies by post, more than 12,600 actually pay, with the rest taking advantage of an offer of one year's free subscription to businessmen whose companies have grown by more than 10 per cent in the previous 12 months.

Says Sherren: "Our confidence in the future of *Your Business* is shown by the fact that Centaur has bought out Roy Assersohn's 10 per cent stake in the magazine."

Your Business, 60 Kingly Street, London W1R 5LH; Small Firms' Outlook, 10 Watford Close, Guildford, Surrey GU1 2EP; Stonehart Publications, Hainault Road, Little Heath, Romford RM6 1BR; Venture UK, 68 Long Acre, London WC2 9JH; Business Matters, 20-24 Uxbridge Street, London W8 7TA.

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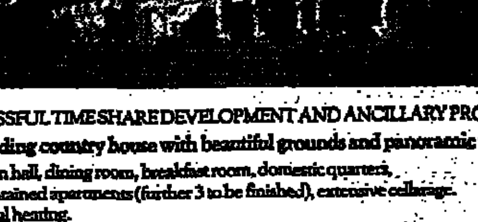

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NEW YORK STOCK EXCHANGE 24–26
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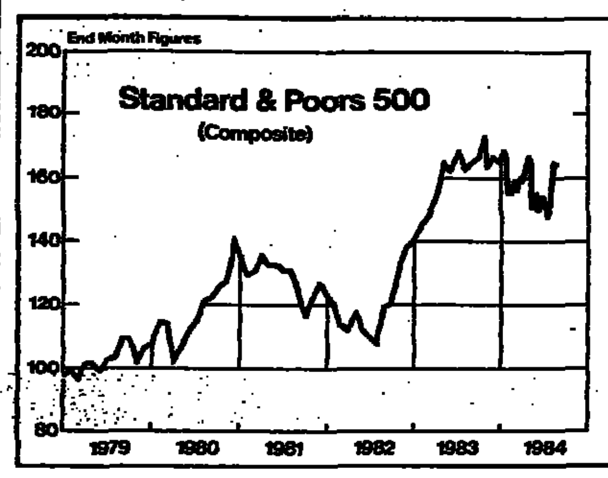
SECTION III – INTERNATIONAL MARKETS

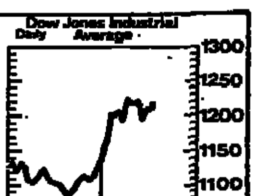
FINANCIAL TIMES

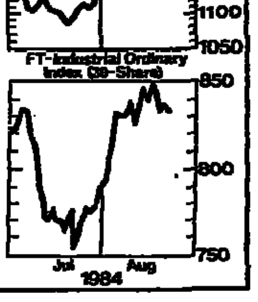
Tuesday, August 21 1984

Aluminium price at 17-month low, Page 32

KEY MARKET MONITORS







STOCK MARKET INDICES

	Aug. 20	Previous	Year ago
NEW YORK			
DJ Industrials	1,216.98	1,211.90	1,194.21
DJ Transport	512.46	514.71	533.73
DJ Utilities	128.80	128.69	130.88
S&P Composite	164.94	164.14	163.98
LONDON			
FT Ind Ord	833.2	838.3	740.4
FT-SE 100	1,074.4	1,078.0	1,000.7
FT-A All-share	507.36	508.65	465.67
FT-A 500	548.76	551.49	504.72
FT Gold mines	573.8	578.8	661.2
FT-A Long gilt	10.56	10.55	10.82
TOKYO			
Nikkei-Dow	10,533.35	10,449.48	9,139.73
Tokyo SE	816.16	808.86	680.13
AUSTRALIA			
All Ord.	735.5	733.9	684.8
Metals & Mins.	471.3	468.3*	589.9
AUSTRIA			
Credit Aktien	53.36	53.33	55.03
BELGIUM			
Belgian SE	150.6	150.86	133.09
CANADA	Aug 20	Prev.	Yr ago
Toronto			
Metals & Minls	2,011.5*	2,015.4	—
Composite	2,331.9	2,338.3	2,439.9
Montreal			
Portfolio	115.2*	115.44	118.57
DENMARK			
Copenhagen SE	192.68	193.27	176.08
FRANCE			
CAC Gen	162.6	162.3	135.0
Ind. Tendance	105.0	104.8	85.0
WEST GERMANY			
FAZ-Aktien	340.05	339.26	317.73
Commerzbank	988.1	984.2	942.2
HONG KONG			
Hang Seng	896.9	908.34	996.28
ITALY			
Banca Comm.	217.3	216.82	206.43
NETHERLANDS			
ANP-CBS Gen	160.8	160.8	142.6
ANP-CBS Ind	128.7	128.5	116.4
NORWAY			
Oslo SE	260.05	260.00	210.54
SINGAPORE			
Straits Times	935.67	936.68	968.11
SOUTH AFRICA			
Golds	986.2	964.1	938.0
Industrials	900.2	901.2	935.3
SPAIN			
Madrid SE	139.43	137.55	118.03
SWEDEN			
J & P	1,519.75	1,502.77	1,489.75
SWITZERLAND			
Swiss Bank Ind	382.2	382.2	338.1
WORLD	Aug 15	Prev	Year ago
Capital Int'l	182.5	182.0	179.0

GOLD (per ounce)

	August 20	Prev
London	$349.50	$351.50
Frankfurt	$349.25	$351.75
Zürich	$349.25	$351.75
Paris (fixing)	$349.39	$351.23
Luxembourg (fixing)	$349.65	$350.60
New York (Aug.)	$344.00	$351.10

* Latest available figure

CURRENCIES

(London)	U.S. DOLLAR Aug 20	Previous	STERLING Aug 20	Previous
$	–	–	1.318	1.3225
DM	2.868	2.86	3.7825	3.7825
Yen	240.95	241.0	317.5	318.5
FFr	8.806	8.7775	11.6175	11.62
SwFr	2.395	2.3835	3.1575	3.1475
Guilder	3.235	3.225	4.2675	4.2675
Lira	1775.0	1767.0	2340.5	2337.0
BFr	57.925	57.675	76.4	76.35
C$	1.30175	1.30425	1.7165	1.724

INTEREST RATES

	Aug 20	Prev
Euro-currencies (3-month offered rate)		
£	10¾	10⅝
SwFr	4⅞	4⅞
DM	5⅝	5 11/16
FFr	11 11/16	11⅝
FT London Interbank fixing (offered rate)		
3-month U.S.$	11 15/16	11 15/16
6-month U.S.$	12 5/16	12 5/16
U.S. Fed Funds	11⅞	11½
U.S. 3-month CDs	11.45	11.50
U.S. 3-month T-bills	10.45	10.31

U.S BONDS

Treasury	August 20* Price	Yield	Prev Price	Yield
12⅝ 1986	100 11/32	12.41	100 14/32	12.35
13⅜ 1991	104 18/32	12.72	104 21/32	12.71
13⅛ 1994	99 22/32	12.68	99 21/32	12.69
13¼ 2014	100 19/32	12.44	99 17/32	12.45
Corporate	Aug. 20* Price	Yield	Prev Price	Yield
AT & T 10⅜ June 1990	89⅝	12.95	89⅝	12.95
3⅞ July 1990	71.00	10.60	71.00	10.60
8⅜ May 2000	71⅞	13.00	71⅞	13.00
Xerox 10⅞ March 1993	87¼	13.15	87¼	13.15
Diamond Shamrock 10⅝ May 1993	86⅝	13.25	86⅝	13.25
Federated Dept Stores 10⅞ May 2013	90.342	13.30	90.342	13.30
Abbot Lab 11.80 Feb 2013	89.00	13.30	89.00	13.30
Alcoa 12¼ Dec 2012	89.00	13.80	89.00	13.80

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
Sept	66–10	66–11	65–24	66–02
U.S. Treasury Bills (IMM) $1m points of 100%				
Sept	89.83	89.86	89.76	89.89
Certificates of Deposit (IMM) $1m points of 100%				
Sept	88.48	88.53	88.45	88.53
LONDON				
Three-month Eurodollar $1m points of 100%				
Sept	88.38	88.40	88.34	88.37
20-year Notional Gilt £50,000 32nds of 100%				
Sept	105–14	105–20	105–02	105–14

COMMODITIES

(London)	August 20	Prev
Silver (spot fixing)	590.00p	594.10p
Copper (cash)	£1,012.25	£1,008.75
Coffee (Sept)	£2,332.50	£2,327.50
Oil (spot Arabian light)	$27.62	$27.65

WALL STREET

Output data change adds little strain

THE VERY minor revision in the Commerce Department's estimates of gross national product for the second quarter left Wall Street unmoved yesterday, *writes Terry Byland in New York.*

Towards the end of the session, the bond market – still taking an optimistic view of the Treasury's plans to issue bonds specifically aimed at foreign investors – edged higher to show net gains of up to ⅝ of a point.

Stocks also firmed and the Dow Jones industrial average closed a net 5.08 higher at 1,216.98 – the first time the measure had recorded an advance throughout the trading day. Turnover remained on the low side at 75.7m shares.

Most of the blue-chip stocks opened with small losses and struggled to recover their pre-weekend levels. The major investment institutions nursed their strong cash holdings and were unwilling to push prices much further ahead for the present.

In the credit market, short-term rates remained firm behind a federal funds rate at 11⅞ per cent. Opinions in the market on the policies of the Federal Reserve ranged widely ahead of today's meeting of the Federal Open Market Committee (FOMC).

Most analysts believe that the Fed will continue to leave policies unchanged, allowing market forces to direct rates at the short end of the credit market. The accuracy of this analysis will be tested on Friday when the minutes of the last meeting of the FOMC, on August 10, will be published.

The absence so far of any decision by the Treasury on the issue of Cats, or Certificates of Accrual on Treasury Securities, to foreigners in bearer form has helped bond market traders to absorb the Treasury securities bought at the most recent auctions. But views on the outlook for long-term rates are a shade less optimistic than a fortnight ago.

An early improvement in the stock of American Express was reversed after Salomon Bros crossed a block of 7m shares at $31¾, against $31½ overnight. It was soon confirmed that Financial Corporation of America (FCA), the troubled thrift group, was beginning to liquidate its 10m share stake.

The deal in American Express stock was the second largest share block ever dealt on the New York Stock Exchange, ranking fifth on record in financial terms.

There was heavy trading in FCA also, after suggestions in the investment press that the federal authorities might require the resignation of Mr Charles Knapp, the chairman, as a price for helping. At $5¼, FCA gained $½, on turnover of nearly 2m shares.

Among the market leaders, IBM shaded down an early $⅛ to $122¾, General Motors gave up $¼ to $74½ and Merck, the pharmaceutical leader, $¼ to $86½.

Also active was Walt Disney Productions, $1⅛ higher at $58¾ after withdrawing from the agreement to purchase Gibson Greetings.

Tandy, the personal computer group which operates the Radio Shack retail outlets, dipped $⅞ to $28½ after references in the investment press to its wish to shift its sales strategies which have lagged behind changes in the market.

Standard Oil of Ohio, controlled by BP of the UK, added $¼ to $44¾ after dropping a plan to buy in stock. Of the recent takeover spots, Electronic Data Systems, which is being acquired by General Motors, edged up $¼ to $45⅛.

Treasury bill rates turned higher after the disclosure of FCA's sale of American Express stock, which will aid liquidity at the thrift group and thus reduce tensions in the money markets. Rates on certificates of deposit also moved ahead.

The bond market moved narrowly during the first half of the session, with only the professional traders showing any interest. The key long bond at 100 17/32 was 1/32 down.

TOKYO

Blue chips regain lead role

SMALL-LOT buying, centring on blue chips, sent share prices higher in Tokyo yesterday, with the Nikkei-Dow market average recovering the 10,500 mark for the first time since May 16, *writes Shigeo Nishiwaki of Jiji Press.*

The market barometer gained 48.03 from Saturday to 10,533.35, but volume totalled only 178.11m shares compared with 250.86m last Friday. Gains outnumbered losses 397 to 254, with 164 issues unchanged.

Institutional and corporate investors, gradually returning from summer holidays, kept a low profile. Investors preferred to await the announcement of the revised U.S. gross national product for the second quarter and its impact on Wall Street and the yen before deciding investment strategies.

Kyosan Electric, diversifying into semiconductor-related equipment, surged Y50 to an all-time peak at one point, but closed Y25 higher at Y489, which matched a record high registered in May 1980.

Some machine tool makers were bought actively on investors' expectations of plant and equipment investment. Sonoike added Y50 to Y1,450, Funac Y90 to Y9,490 and Hitachi Seiki Y5 to Y576.

Selective buying spread to biotechnology-related issues, with Kuraray rising Y27 to Y812, Mochida Pharmaceutical Y200 to Y8,920 and Kureha Chemical Y20 to Y1,210.

Brokerage houses and some investors placed small-lot buying orders for internationally popular blue chips in the afternoon, anticipating that steady movement on Wall Street later would trigger rises of blue chips in Tokyo.

Bond prices eased with the yield on the benchmark 7.5 per cent government bond, maturing in January 1993, rising from 7.18 per cent on Saturday to 7.20 per cent.

Prices on government bonds nearing maturity firmed at one time, spurred by a Y20bn Bank of Japan buying operation involving two issues due in less than two years. But they eased later, and the yield on the 8 per cent government bond due in May 1985, one target of the buying operation, closed unchanged at 6.44 per cent.

SINGAPORE

SMALLER speculative issues provided the most focus for interest in thin Singapore trading. The Straits Times index shed 1.01 to 935.05, with losses outnumbering gains almost two to one.

Pan Electric, again the most actively traded stock, gained 5 cents to S$2.71, while Malayan Cement was 15 cents off at S$7.35 and Fraser Neave 10 cents at S$5.60.

Financials were also lower with UOB down 6 cents at S$4.70 and Malayan Banking and OCBC both 5 cents down at S$9 and S$9.70 respectively.

EUROPE

Good gains still thinly spread

MID-AUGUST holiday absences remained evident on the European bourses yesterday in the form of low levels of activity and a disinclination among operators present to tolerate many marked movements either way.

Among the few exceptions in an otherwise dull but steady **Frankfurt** was Allianz, which jumped DM 45 to a final DM 857 – having touched DM 868 – before the insurer came in with a carefully worded denial of the rumoured reshape.

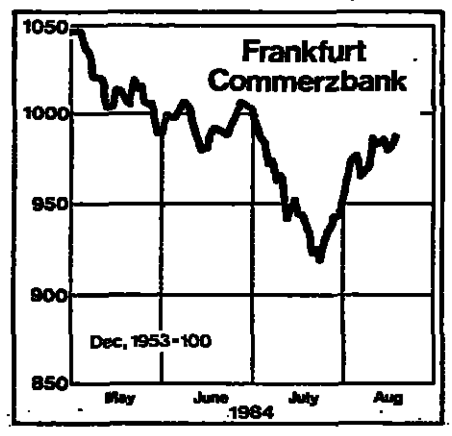
The only other area of interest was Nixdorf Computer on its forecast of improved results: it added DM 6.40 to DM 506. Siemens at DM 393 gained DM 2.40.

Most banks held unchanged, but Bayerische Verein put on DM 4 to DM 308.50, and BHF slipped DM 3 to DM 235. BMW stood out among the car makers with a DM 5 advance to DM 392.50 while Porsche came down DM 4 to DM 975.

The overall picture was reflected in a 3.9 rise in the Commerzbank index to 988.1.

Domestic bonds added as much as a ¼ point, and the Bundesbank was able to sell DM 44.7m in public paper.

Ned Mid Bank outperformed the rest in **Amsterdam** amid its profit figures, advancing Fl 2.50 to Fl 134. ABN, which plunged Fl 11 on Friday on news of its earnings setback, rallied a guilder to Fl 294. Heineken held on to Friday's Fl 3.50 gain at Fl 139 ahead of results due early next month.



Quiet bond dealings left prices steady ahead of a new state issue expected within days.

Firm call money and a dip in French industrial output discouraged **Paris** buyers but still allowed a steady outcome. Peugeot picked up FFr 4 to FFr 201.50, and Valeo FFr 5 to FFr 225, but Cie Française des Pétroles shed FFr 4 to FFr 221.

As **Stockholm** entered its interim corporate reporting season, sentiment improved. Among those which later released results, Esselte added SKr 5 to SKr 305, Sandvik SKr 10 to SKr 415 and Atlas Copco SKr 3 to SKr 121.

Also of assistance was a Finance Ministry assurance that industry faced no fresh taxes. *(Lex, Page 14)*

Late profit-taking trimmed **Milan** gains, but the after-hours trend turned firmer again. Fiat managed a L43 rise to a record L4,653 while Olivetti came L56 off its peak at L5,885. Speculation about a reshape took La Centrale L60 higher to L2,210.

Bonds were narrowly mixed.

Friday's **Zurich** advance, which came on a revival of foreign institutional buying, was maintained and in some cases extended.

Banks and insurers joined in, with Crédit Suisse up SwFr 20 to SwFr 2,440 and Swiss Re SwFr 50 ahead at SwFr 7,400, but profit-taking among industrials left Nestlé SwFr 55 lower at SwFr 5,420.

Domestic bonds held steady.

An easier **Brussels** showed UCB in chemicals BFr 50 weaker at BFr 4,870, with a single sizeable seller reported, but metals group Hoboken jumped BFr 150 to BFr 5,490, also in thin dealings.

Oslo was firm, **Copenhagen** weaker and **Madrid** moved ahead.

LONDON

Fading rate hopes dull interest

A FEELING that the recent downward trend in interest rates had gone far enough for the present and the threat of industrial action in UK docks helped anchor London markets in the late summer doldrums.

Government securities drifted lower, dominated by the trend of the futures market. Gilts closed ½ point down.

Most leading industrials were also lower. BP, which confirmed fears that it had abandoned hope of a major discovery in the South China Sea, finished 7p down at 468p.

Chubb lost 8p to 269p, Fleet Holdings 7p to 193p and Mercury Securities 15p to 435p.

Several other blue chips showed similar losses before staging a late recovery which left the FT Industrial Ordinary index down 5.1 at 833.2.

Chief price changes, Page 26; Details, Page 27; Share information service, Pages 28-29

HONG KONG

THE DECISION by banks not to cut local interest rates, along with uncertainty ahead of the latest round of Sino-British talks, left Hong Kong prices lower in very thin trading. The Hang Seng index fell 11.44 to 896.90.

Among leaders Cheung Kong dropped 20 cents to HK$7.55, Hongkong Electric 5 cents to HK$5.65, Hongkong Land the same amount to HK$2.65, Jardine Matheson 25 cents to HK$7.60 and Hutchison Whampoa 10 cents to HK$10.50.

SOUTH AFRICA

A SLIGHT downward drift in the bullion price left gold shares easier in hesitant Johannesburg trading.

Heavyweights Kloof and Durban Deep each shed R1 to R68.50 and R32.25 respectively, while Venters fell 25 cents to R15.75. Randfontein firmed R1.50 to R183.50.

Industrials were quietly mixed with an easier tone. Barlow Rand slipped 10 cents to R11.90, while Rennies lost 75 cents to R14.25.

AUSTRALIA

NERVOUS trading ahead of today's budget left Sydney prices steady, although investors do not expect major surprises.

Gold and metal mining shares led the gains, with golds aided by steady to higher international bullion prices. CRA gained 6 cents to A$5.52 while EZ Industries fell 10 cents to A$6.26.

CANADA

LIGHT Toronto trading left gold and oil shares particularly weak, and base metal mining shares were also unable to make many advances.

In Montreal the tone was steadier but with minor losses in all sectors. Banks and industrials were weaker than utilities.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
23½	13¾	AAR	.48	2.1	23	77	22½	22¼	22½	
22	13½	AMCA	n	1.6	9	7	14½	14⅜	14½	+⅛
18⅞	13⅜	AMF	.50	3.1	145	184	16½	15⅞	16	
41¼	24¼	AMR			4	6137	27⅜	26⅞	26¾	−⅜
20⅞	18	AMR	pf2.18	11.		27	19⅝	19½	19½	
41½	27½	AMR	pf2.13	7.2		216	29½	28¾	29⅜	−⅛
23	19½	ANR	pf2.12	9.6		1	22	22	22	−⅛
55¾	40¼	ARA	2.10	4.1	10	309	51⅞	51½	51¾	
70¾	44¾	ASA	3a	5.6		1321	55	53⅞	53¾	−1½
30¼	16½	AVX	.32	1.3	15	116	24¾	24¾	24½	
53⅜	38¼	AbtLab	1.20	2.6	15	1273	46½	45½	46⅜	+⅞
34	23¾	AccoWd	.66	2.0	19	133	32½	32¼	32⅜	+⅛
27¼	12½	AcmeC	.40	2.9		175	13⅝	13½	13⅝	+⅛
12⅛	8⅞	AcmeE	.32b	3.2	16	2	9⅞	9⅞	9⅞	+⅛
24⅞	11	AdmDg	.04	.2	9	74	16½	16⅛	15¾	+⅛
18⅜	15	AdaEx	2.11e	13.		40	16½	16⅛	16½	+⅛
18⅞	11⅞	AdmMl	.28	1.9	15	35	14⅝	14⅜	14½	−⅛
22	13½	AdvSys	.811	4.4	18	490	19	18½	18½	−⅛
38⅞	25⅛	AMD			22	3558	39	38⅛	39	+⅛
17⅛	7⅞	Advest	.12	1.1		43	10⅞	10½	10⅞	
20¼	9⅞	Aeroflex			12	38	12⅞	12⅞	12⅞	+⅛
39	27⅞	AetnLf	2.64	7.5	33	4346	35½	34⅞	35⅛	+½
58¾	54	AetL	pf5.48e	9.6		102	56⅞	56⅜	56⅞	+⅛
34½	15¾	Ahmns	1.20	6.0	5	1124	20	19¾	20	
6¾	2⅞	Aileen				16	3⅛	3	3	−⅛
51	36½	AirPrd	1	2.1	11	488	47½	47⅛	47⅜	−⅜
30⅞	13	AirFrt	.60	3.7	9	93	16¼	16	16¼	
3⅝	1¾	AlMoa	s.50e	14.		38	u3½	3⅜	3½	+⅛
31⅞	26¾	AlaP	pfA3.92	14.		3	29	28¾	29	
7¼	6	AlaP	dpf.87	13.		11	6⅝	6⅝	6⅝	−⅛
71	61½	AlaP	pf9	14.		z100	66¼	66¼	66¼	
65¾	56	AlaP	pf8.28	14.		z100	61	61	61	−⅛

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Continued on Page 25

هكذا صدر الأصل

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

[illegible]

Continued on Page 26

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 24

[illegible]

2¾	⅞	WnAir	wt	34	15-16	13-16	13-16	-1-16
18	8¼	WAir	pf4.50k	27	8⅞	8½	8½	-½
12¼	8¼	WAir	pf2.14 24	15	9½	8¼	8⅞	-½
12	4½	WCNA		330	6	5½	5½	
101	72½	WPacI	5	4	93½	93	93½	+½
39½	14⅛	WUnion	1.40 7.2	979	20	19¼	19½	-½
90½	42	WnUn	pf4.60 9.1	3	52½	50½	50½	-1¼
9¼	7⅞	WUn	cpf1.18 14	31	8½	8½	8½	+½
15½	11½	WUn	pf	19	13⅞	13½	13½	
21½	15⅝	WUTI	pf2.56 15	2	17⅝	17½	17½	-½

Continued on Page 26

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a—dividend also extra(s). b—annual rate of dividend plus stock dividend. c—liquidating dividend. cld—called. d—new yearly low. e—dividend declared or paid in preceding 12 months. g—dividend in Canadian funds, subject to 15% non-residence tax. i—dividend declared after split-up or stock dividend. j—dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k—dividend declared or paid this year, an accumulative issue with dividends in arrears. n—new issue in the past 52 weeks. The high-low range begins with the start of trading. nd—next day delivery. P/E—price-earnings ratio. r—dividend declared or paid in preceding 12 months, plus stock dividend. s—stock split. Dividends begins with date of split. sls—sales. t—dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u—new yearly high. v—trading halted. vi—in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd—when distributed. wi—when issued. ww—with warrants. x—ex-dividend or ex-rights. xdis—ex-distribution. xw—without warrants. y—ex-dividend and sales in full. yld—yield. z—sales in full.

WORLD STOCK MARKETS

AUSTRIA

Aug. 20	Price Sch's	+ or —
Creditanstalt	205	......
Goesser	325	..
Interunfall	400	..
Laenderbank	207	+1
Perlmooser	351	-3
Steyr-Dimlera	141	..
Veitscher Mag.	211	—1

BELGIUM/LUXEMBOURG

Aug. 20	Price Frs.	+ or —
ARBED	1,535	-15
Banq Int A Lux	5,200	
Bekaert B.	4,170	+20
Ciment CBR	2,450	-5
Cockerill	263	+3
Delhaize	5,500	..
EBES	2,640	......
Electrobel	7,520	
Fabrique Nat	2,060	+10
GB Inno BM	3,170	—20
GBL (Brux)	2,325	—20
Gevaert	5,420	
Hoboken	5,490	-150
Intercom	1,990	......
Kredietbank	6,780	
Pan Hldgs.	9,250	—20
Petrofina	7,000	-50
Royale Belge	9,350	..
Soc. Gen. Banq	2,920	
Soc. Gen. Belge	1,850	+5
Sofina	6,650	-10
Solvay	3,820	
Tractionel	3,845	+20
UCB	4,870	—50
Vieille Mont.	4,295	+95

DENMARK

Aug 20	Price Kur %	+ or —
Aarhus Olie	460	..
Andelsbanken	255	-1
Baltic Skand	715	...
CopHandelsbank	258	—6
D. Sukkerfab	670	..
Danske Bank	255	-3
East Asiatic	194	-1
Forenede Brygg.	960	......
Forenede Damp.	109	..
GNT Hldg	515	—20
I.S.S.B.	485	+25
Jyske Bank	515	
Novo Ind.	2,525	+30
Privatbanken	225	—4
Provinsbanken	314	—7
Smidth (F)	214	—1
Sophus Berend	1,000	..
Superfos	491	—2

FRANCE

Aug. 20	Price Frs.	+ or —
Emprunt 4½% 1973	1,750.5	+4.5
Emprunt 7% 1973	9,105	-70
CNE 3%	3,565	-1
Air Liquide	515	......
BIC	411	-3
Bouygues	584	—1
BSN Gervais	2,534	-19
CIT-Alcatel	1,082	—4
Carrefour	1,443	-5
Club Mediter'n.	905	-3
CFAO	592	+1
Cie Bancaire	506	—7
Cofimeg	211	....
Darty	925	-4
Dumez S.A.	642	+6
Eaux (Cie Gen)	524	+6
Elf Aquitane	204.5	—1.4
Gen. Occidentale	615	—1
Imetal	79	—0.5
Lafarge Coppee	319	—1.1
L'Oreal	2,255	—9
Legrand	1,868	—1
Maisons Phenix	199.9	-0.9
Matra S.A.	1,450	.3
Michelin B.	791	+10
Midi (Cie)	1,650	+5
Moet-Hennessy	1,689	+9
Moulinex	99	—1.1
Nord Est.	45.3	+0.6
Pernod Ricard	791	+1
Perrier	480	—2
Petroles Fra.	221	—4
Peugeot S.A.	201.5	+4
Poclain	44	......
Printemps Au	139.9	......
Radiotech	246	+1
Redoute	1,024	+9
Roussel-Uclaf	1,280	+10
Sefimeg	242	+1
Skis Rossighol	1,380	+30
Telemech Elect.	1,630	+15
Thompson (CSF)	310.2	—2.7
Valeo	225	+5

GERMANY

Aug. 20	Price Dm.	+ or —
AEG-Telef.	91.8	—0.2
Allianz Vers.	857	+45
BASF	156.3	+1.5
Bayer	169	+2.5
Bayer Hypo	265	......
Bayer-Verein	308.5	+4
BHF Bank	285	—3
BMW	392.5	+5
Brown Boveri	196.8	—0.7
Commerzbank	149.5	.
Cont'l. Gummi	118.8	+1.3
Daimler Benz	549.0	+0.5
Degussa	345	+1.5
D'sche Babcoc	146.0	—3.5
Deutsche Bank	334.5	-0.5
Dresdner Bank	153.5	+1
GHH	140.0	+0.5
Hochtief	495xd	..
Hoechst	169.8	+2.3
Hoesch Werke	94.3	—0.7
Holzmann (P)	422	+6
Horten	165	—1
Kali und Salz	211	—1
Karstadt	237	—1
Kaufhof	205.2	—6.8
KHD	227.0	—0.5
Kloeckner	67.0	+0.3
Krupp	77	—1
Linde	356	+3
Lufthansa	151.0	+2.5
MAN	141.5	+2.7
Mannesmann	141.8	+0.3
Mercedes Hld.	487.8	+1.3
Metallgesell	209	..
Muench Rueck.	1050	.
Preussag	254.8	+3.8
Rhein West Elect.	157.8	—0.3
Rosenthal	231.8	+1.8
Schering	356	+3
Siemens	393	+2.4
Thyssen	76.2	+0.2
Varta	165	+2
Veba	171.2	+0.8
V.E.W.	119.5	+1.8
Verein-West.	291	..
Volkswagen	178	+0.3

ITALY

Aug. 20	Price Lira	+ or —
Banca Com'le	17,210	+10
Bastogi-IRBS	157	+7
Centrale	2,210	+60
Credito Varesino	4,150	+60
Fiat	4,653	+43
Finsider	37	—1
Generali Assicur	34,195	+195
Invest	2,875	+4
Italcementi	47,100	+100
Montedison	1,224	+27
Olivetti	5,985	—56
Pirelli Co	3,150	—100
Pirelli Spa	1,949	—25
Snia BPD	1,641	+21
Toro Assic	11,840	+140
do. Pref	9,100	+51

NETHERLANDS

Aug. 20	Price Fls	+ or —
ACF Holding	179.5	+1.5
AEGON	118	+2
Ahold	188	—2
AKZO	90.8	—0.3
ABN	294	+1
AMEV	154.2	—0.2
AMRO	53.2	+0.7
Bredero Cert.	183.5	...
Bos Kalis Westm.	26	—0.3
Buehrmann-Tet.	67.8	+0.3
Calland Hldgs.	34.9	+0.9
Credit Lyon'is Bk	46.5	...
Elsevier NDU	92	+0.5
Gist Brocades	151	......
Heineken	139	...
Hoogovens	54.4	—0.4
Hunter Douglas	29.3	+0.8
Int Mueller	35.3	+0.2
KLM	177	—1.9
Naraden	39.7	—0.2
Nat Ned Cert	224	+1
Ned. Credit Bank	40	......
Ned Mid Bank	134	+2.5
Nedlloyd	108.5	+9
Oce Grinten	242	......
Ommeren (Van)	26.6	—0.2
Pakhoed	63.2	—0.3
Philips	49.1	—0.2
Rijn-Schelde	2.5	......
Robeco	64.4	+0.2
Rodamco	131.6	+0.2
Rolinco	62	+0.8
Rorento	203.1	+0.5
Royal Dutch	156.6	+0.6
Unilever	268	+0.4
VMF Stork	124.6	+0.3
VNU	148	—2
West Utr Bank	80.5	—0.5

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. ‡ Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

NORWAY

Aug 20	Price Kronor	+ or —
Bergen Bank	163	+1
Borregaard	305	+2
Christiania Bank	154	+1
DenNorske Cedit	154	+2.5
Elkem	136	—1.5
Norsk Data	329	+9
Norsk Hydro	595	...
Storebrand	212.5	—2.5

SPAIN

Aug 20	Price Pta%	+ or —
Bco Bilbao	349	+1
Bco Central	354	+2
Bco Exterior	209	+2
Bco Hispano	240	......
Bco Santander	331	....
Bco Vizcaya	398	...
Dragados	169	+5
Hidrola	67.2	+0.5
Iberduero	74	+2
Petroleos	153	+7
Telefonica	93	+2.5

SWEDEN

Aug 20	Price Kronor	+ or —
AGA	375	....
Alfa-Laval	235	+3
ASEA (Free)	365	......
Astra (Free)	470	+5
Atlas Copco	121	+3
Boliden (Free)	390	+5
Cardo (Free)	330	+2
Cellulosa	134	—3
Electrlux B	259	+7
Ericson	376	+4
Erselte	305	+5
Mo Och Domsjo	363	+1
Pharmacia	227xc	+4
Saab Scania Free	550	......
Sandvik	415	+10
Skandia	355	..
Skan Enskilda	60	+0.5
SKF	186	+6
St Koparbergs	695	+5
Sven Handlesbn.	183	+2
Swedish Match	233	+4
Volvo B (Free)	348	+4

SWITZERLAND

Aug. 20	Price Frs.	+ or —
Alusuisse	744	+6
Bank Leu	3,575	+25
Brown Boveri	1,375	....
Ciba Geigy	2,440	—10
do. (Part Certs)	1,920	—30
Credit Suisse	2,150	+20
Elektrowatt	2,455	+5
Fischer (Geo.)	634	+6
Genevoise	3,450	......
Hoff-RochePtCts	96,250	+375
Hoff-Roche 1.10.	9,625	+50
Jacobs Suchard.	6,250	......
Jelmoli	1,850	..
Landis & Gyr	1,450	..
Nestle	5,420	—55
Oer-Buehrle	1,270	+10
Perelli	250	...
Sandoz (Br)	7,125	—50
Sandoz (PtCts)	1,125	......
Schindler (PtCts)	580	......
Swissair	995	....
Swiss Bank	325	+1
Swiss Reinsce	7,400	+50
Swiss Volksbk.	1,365	....
Union Bank	3,320	+30
Winterthur	2,935	—5
Zurich Ins.	17,100	+100

AUSTRALIA

Aug. 20	Price Aust $	+ or —
ANZ Group	4.93	+0.06
Acrow Aust	1.55	......
Alliance Oil D	0.93	+0.03
Ampol Pet.	1.78	......
Aust Cons Ind.	1.9	—0.03
Aust. Guarant.	2.95	......
Aust. Nat. Inds	2.25	—0.03
Aust. Paper	2.3	—0.03
Bell Group	4.5	......
Bond Corp Hldgs	1.3	—0.02
Boral	3.6	+0.05
B'ville Copper	1.73	......
Brambles Inds.	3.1	......
Bridge Oil	2.8	......
BHP	10.6	+0.1
CRA	5.52	+0.08
CSR	3.32	+0.04
Carlton Utd.	4.30	.....
Castlemaine Tys.	4.45	+0.05
Coles (G.J.)	3.9	......
Comalco "A"	2.6	......
Consolidated Pet	0.58	+0.02
Costain Aust	1.5	......
Dunlop Aust.	1.78	......
E.Z. Inds.	6.26	—0.1
Elders IXL	4	—0.05
Energy Res.	1.58	—0.02

AUSTRALIA (continued)

Aug. 20	Price Aust. $	+ or —
Gen Prop Trust	2.2	...
Hardie (J.)	3.30	—0.05
Hartogen Energy	2.30	+0.05
Herald W'yTimes	3.7	......
ICI Aust.	2.12	—0.03
Jimb'lana (50cFP)	0.32	—0.02
Kia Ora Gold	0.14	..
Lend Lease	5.58	—0.02
MIM	3.02	......
Mayne Nickless	2.85	+0.05
Meekatharra	1.01	—0.06
Myer Emp.	1.88	
Nat. Com. Bk	3.35	—0.03
News	10.65	..
Nicholas Kiwi	4.00	—0.03
North Bkn Hill	2.27	—0.05
Oakbridge	0.89	+0.01
Otter Expl.	0.5	......
Pancont'l	1.20	—0.05
Pioneer Conc.	1.55	—0.05
Queensland Coal	1.19	+0.01
Rickett & Coln.	2.90	+0.05
Repco	1.14	...
Santos	6.3	......
Smith (H.)	3.8	+0.1
Southland Min'g.	0.3	......
Spargos Expl	0.52	....
Thos. Natwide	1.86	......
Tooth	5.50	......
Vamgas	3.55	+0.1
Western Mining	3.52	+0.02
Westpac	3.82	—0.02
Woodside Petrol.	1.22	+0.01
Woolworths	2.53	—0.05
Wormald Intl	2.96	+0.05

HONG KONG

Aug. 20	Price H.K.$	+ or —
Bank East Asia	20.5	..
Cheung Kong	7.55	—0.20
China Light	12.5	....
Hang Lung Devel	2.2	.....
Hang Seng Bank	32.25	—0.05
HK Electric	5.65	—0.05
HK Kowloon Wh.	3.35	....
HK Land	2.56	—0.05
HK Shanghai Bk.	6.25	—0.01
HK Telephone	45	+1
Hutchison Wpa.	10.5	—0.1
Jardine Math.	7.6	—0.25
New World Dev.	2.97	.....
Orient O'seas	2.22	—0.05
Oseas Trust Bk.	2.85	—0.1
SHK Props.	5.70	—0.05
Swire Pac A	17.1	....
Wheel'k Mard A.	3.1	—0.07
Wheel'k M'time	1.9	..
World Int. Hldgs.	1.87	—0.03

JAPAN

Aug. 20	Price Yen	+ or —
Ajinomoto	1,240	
Alps Electric	2,270	+10
Amada	1,370	+40
Asahi Chem.	864	+5
Asahi Glass	746	+1
Bridgestone	581	+1
Canon	1,280	—10
Casio Comp.	1,460	+40
Chugai Pharm.	1,020	....
Citizen	655	+15
Daiei	659	—1
Dai Nippon Ptg	969	+1
Daiwa House	523	......
Ebara	336	—4
Eisai	1,250	+30
Fanuc	9,490	+00
Fuji Bank	945	+15
Fuji Film	1,770	+40
Fujisawa	1,080	—30
Fujitsu	1,310	—30
Green Cross	1,600	—40
Hasegawa	333	—2
Heiwa Real Est	556	+1
Hitachi	849	+4
Hitachi Credit	1,220	—10
Honda	1,380	—10
House Food	725	....
Hoya	2,260	+70
Itoh (C)	285	—2
Ito. Yokado	2,000	—40
Iwatsu	1,630	+40
JACCS	361	+1
JAL	3,220	+70
Jusco	833	+2
Kajima	285	+3
Kao Soap	770	+5
Kashiyama	608	+5
Kirin	554	+1
Kokuyo	1,000	+10
Komatsu	463	—2
Konishiroku	590	+12
Kubota	310	......
Kumagai	460	......
Kyoto Ceramic	6,180	+40
Maeda Const.	475	+5
Makino Milling	1,480	......
Makita	1,110	+10
Marubeni	345	+5
Marudai	629	+17
Marui	1,120	+30
MEI	1,700	....
M'ta Elec Works.	680	+7
M'bishi Bank	940	......
M'bishi	557	......
M'bishi Elec.	398	+7
M'bishi Estate	479	+4

JAPAN (continued)

Aug. 20	Price Yen	+ or —
MHI	237	—1
Mitsui Co	335	+5
Mitsui Estate	665	—1
Mitsukoshi	351	..
NGK Insulators	820	—5
Nihon Cement	200	+2
Nippon Denso	1,560	..
Nippon Elect.	1,300	+20
Nippon Express	315	—3
Nippon Gakki	870	......
Nippon Kokan	140	+3
Nippon Oil	902	—7
Nippon Seiko	570	..
Nippon Shimpan	535	+12
Nippon Steel	155	—2
Nippon Suisan	328	—2
NTV	11,400	—190
Nippon Yusen	218	
Nissan Motor	651	—3
Nisshin Flour	495	+5
Nisshin Steel	181	—2
Nomura	710	—5
Olympus	1,090	—10
Orient Leasing	3,540	+40
Pioneer	2,640	+30
Renown	625	+3
Ricoh	980	+8
Sankyo	796	—2
Sanyo Elect.	528	+8
Sapporo	410	—1
Sekisui Prefab	685	
Seven-Eleven	8,880	+240
Sharp	1,130	—10
Shimadzu	558	—9
Shionogi	688	—1
Shiseido	1,180	
Sony	3,480	+40
Stanley	776	—13
S'tmo Bank	975	—6
S'tomo Elect	825	+1
S'tomo Marine	424	—5
S'tomo Metal	160	+2
Taihei Dengyo.	461	+1
Taisei Corp	205	—2
Taisho Pharm.	868	—53
Takeda	776	+1
TDK	5,650	—40
Teijin	372	—3
Teikoku Oil	680	—5
Tokyo Marine	607	+1
TBS	740	+10
Tokyo Elect Pwr.	1,190	......
Tokyo Gas	151	+1
Tokyo Sanyo	708	+3
Tokyo Style	715	—10
Tokyu Corp.	271	—1
Toppan Print	617	—7
Toray	410	+4
Toshiba Elect.	422	+4
TOTO	691	—4
Toyo Seikan	845	—4
Toyota Motor	1,440	+10
Victor	2,370	+10
Wacoal	770	—5
Yamaha	530	......
Yamanouchi	1,400	......
Yamazaki	657	—8
Yasuda Fire	302	—1
Yokogawa Bdge.	401	—2

SINGAPORE

Aug. 20	Price $	+ or —
Boustead Hldgs.	2.24	—0.03
Cold Storage	3.42	—0.02
DBS	7.75	......
Fraser & Neave	5.6	—0.1
Genting	5.45	......
Haw Par. Bros.	2.28	—0.02
Inchcape Bhd.	2.96	—0.05
Keppel Shipyard	3.11	+0.01
Malay Banking	9	—0.05
Malay Brew	6.7	....
Multi Purpose	1.18	—0.01
OCBC	9.7	—0.05
OUB	4.2	..
Sime Darby	2.23	+0.07
Straits St'mship.	1.44	......
Straits Trdg	5.35	......
UOB	4.7	—0.01

SOUTH AFRICA

Aug 20	Price Rand	+ or —
Abercom	1.40	......
AE&CI	7.9	......
Anglo Am Coal	34.5	......
Anglo Am Corp	22.75	—0.81
Anglo Am Gold	158.5	...
Barclays Bank	15.5	—0.05
Barlow Rand	11.9	—0.01
Buffels	77.5	—0.25
CNA Gallo	2.05	....
Currie Finance	3.55	—0.05
De Beers	9.28	+0.03
Driefontein	49	—0.5
FS Geduld	52	......
Gold Fields SA	28	......
Highveld Steel	5.06	......
Nedbank	11.26	—1
OK Bazaars	14.5	—0.25
Protea Hldgs	1.65	......
Rembrandt	27	—0.25
Rennies	14.25	—0.75
Rust Plat	14.8	—0.05
Sage Hldgs	7.1	......
SABrews	6.5	......
Sml th(CG)	18.25	—0.35
Tongaat Hulets	8.6	—0.1
Unisec.	5.	—0.2

OVER-THE-COUNTER

Nasdaq national market, closing prices

LONDON

Chief price changes
(in pence unless otherwise indicated)

RISES		
Blagden	125	+11
Bryant (Derek)	235	+5
Cambridge Elec.	333	+6
Cookson	320	+13
Good Relations	186	+8
Intasun	112	+5
Lloyds Bank	437	+9
Lon. Park Hotels	340	+5
Midland Bank	337	+9
Munfd & White	145	+11
NatWest (nil/pd)	282pm	+22
VG Instruments	216	+8
Oliver Prosp.	130	+60
FALLS		
Tr. 14½pc 1994	£115¾	—£½
BSR	155	—8
Chubb	269	—8
Fleet Hldgs.	193	—7
Hill Samuel	285	—5
Horizon Travel	170	—5
Marchwiel	210	—6
Mercury Secs.	435	—15
Polly Peck	220	—5
Rntree M'tosh	314	—8
Tate & Lyle	365	—6
BP	468	—7

Continued on Page 34

CANADA

TORONTO

Closing prices August 20

Sales	Stock	High	Low	Close	Chng
7166	Abti Prce	$30½	30½	30½	—¼
4000	Agnico E	$15⅝	14⅞	14⅞	—⅛
400	Agra Ind A	5?	475	475	—25
16370	Alt Energy	$21	21	21	
85779	Daon Dev	157	153	155	
608	Daon A	150	145	150	—25
1440	Denison A	$18¼	18	18¼	+¼
12242	Denison B f	$17⅛	17	17⅛	+⅛
10475	Develcon	$14⅝	14⅛	14⅛	+⅛
2390	Dickinson A f	480	455	455	—30
1230	Dickinson B	470	460	460	—10
600	Doman A	243	243	243	
710	Lacana	$11½	11½	11½	—½
100	LL Lac	$33½	33½	33½	+½
1370	Loblaw Co	$15⅝	15½	15⅝	
100	MDS H A	$16¼	16¼	16¼	+¼
1568	Mclan H X	$21	20⅞	20⅞	—⅛
700	Merland E	425	425	425	—10
5480	Molson A f	$18¼	17⅞	17⅞	—⅛
800	Molson B	$17⅝	17½	17½	—⅛
69850	Nabisco L	$21¼	21	21¼	
33	Suncor pr	$23⅞	23⅞	23⅞	
1300	Sydney o	57	55	57	—2
250	Talcorp	92	92	92	
4964	Tech B f	59	8⅞	9	
1300	Ter Can	$36⅞	36¼	36⅜	—⅛
4300	Thom N A	$43	42⅛	43	+⅛
15089	Tor Dm Bk	$16	15¾	15⅞	—⅛
8925	Torstar B f	$16⅛	16	16⅛	—⅛
1485	Traders A f	$19	18⅞	18⅞	+⅛

MONTREAL

Closing prices August 20

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 25

NEW YORK CLOSING PRICES

Continued from Page 25

LONDON STOCK EXCHANGE

MARKET REPORT

Markets become inactive as interest rate optimism fades for the time being

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
July 30	Aug 9	Aug 10	Aug 20
Aug 13	Aug 30	Aug 31	Sept 10
Sept 3	Sept 13	Sept 14	Sept 24

* "New-time" dealings may take place from 9.30 am two business days earlier.

Investors took stock of the recent cuts in base lending rates and decided that the trend had probably gone far enough for the present. The removal of this carrot allowed thoughts to dwell on the two UK labour disputes which, most recently, have been pushed into the London stock market background. It was the dockers' situation which adversely affected sentiment yesterday with business slowing noticeably while markets awaited the third attempt to remove the threat to the fragile peace in the docks.

Traditionally at its low point during the month of August, institutional interest was negligible. Even inquiries for speculative stocks, many of which were recipients of favourable weekend Press mention, were limited and restricted to selected issues including last week's star performer Davy Corporation. Brokers attempts to drum up trade were unsuccessful as markets settled back into their usual late summer inactivity.

Renewed U.S. concern over a revival of the upward pressures on short-term interest rates after last week's unexpected expansion in money supply was also an inhibiting influence. Government securities in London began a shade easier and drifted lower still, dominated throughout by the trend of the futures market. Quotations for the latter moved away from the lowest in the afternoon and Gilts followed to close ¼ down on the day. One or two medium-life issues showed slightly heavier falls with Treasury 14½ per cent 1994 ending ½ lower at 115½.

Most leading industrial shares were only marginally cheaper at the outset, but values soon drifted lower in the wake of Gilt-edged. Early attention was directed towards British Petroleum, which confirmed market fears that the group has abandoned hope of making any major oil discovery in the South China Sea. BP's share price however, was not too badly hit at 468p, down 7. Several other blue chip issues showed similar losses before staging a small late recovery which left the FT Industrial Ordinary share index down 5.1 at 833.2; at 2 pm, it was 6.3 lower.

Clearers up late

Talk of a broker's circular aroused buying of the major clearing banks. Demand continued late leaving most issues at the day's best. NatWest new nil-paid shares, a particularly dull market last week, rallied 22 to 282p; the old recovered 17 to 485p. Barclays added 9 at 462p as did Lloyds, at 437p, and Midland, at 337p. Elsewhere, still reflecting the proposed four-way merger, Mercury Securities—down 38 last week—gave up 15 more at 435p. Hill Samuel, lost 5 of last week's speculative rise of 40 following the chairman's reported bid denial. Hambros, on the other hand, found support at 158p, up 11.

Despite Sun Alliance's warning that insurance companies could pay out at least £100m on subsidence claims this year, Composite Insurances held relatively firm. Sun Alliance closed 8 to the good at 375p, while Commercial Union, down to 178p initially following adverse comment, rallied late to finish only a penny off at 180p. Awaiting tomorrow's interim figures, Pearl rose 10 to 895p. Among Lloyds Brokers, Derek Bryant gained 5 to 235p in response to the 20 per cent interim profits increase. Recently-firm Stewart Wrightson added a further 5 at 425p on an investment recommendation. Liberty Life Association of Africa were raised 5 points to £28 following good half-year results.

Industrial Scotland Energy were introduced to the market following the £7.5m rights issue and closed at 140p; the new nil paid shares were quoted at 33p premium.

Leading Buildings managed to absorb bouts of scrappy selling and closed virtually unchanged. Elsewhere, Marchwiel fell 6 to 210p, after 208p, the cautious statement on overseas contracts, particularly those relating to Nigeria, eclipsing the increased half-year profits. Recently-firm Countryside came on offer and shed 4 to 192p, but Vibroplant firmed 3 to 136p in response to good annual results. Press comment highlighting the sector's current takeover candidates stimulated fresh interest in UBM, which firmed 2 to a 1984 peak of 163p. Ibstock Johnsen, after touching 236p, slipped back to close a penny cheaper on balance at 234p. Among Timbers, Magnet and Southerns found support and improved 4 to 132p, while Phoenix gained the same amount at 90p. On the other hand, profit-taking clipped 3 from recent bid favourite Trent Holdings, 97p.

ICI were a subdued market and drifted off to close 4 cheaper at 590p. Business elsewhere in the Chemical sector was also slow, but Blagden Industries provided a bright feature, rising 11 to 125p following the good interim

Leading Stores were idle and featureless, but secondary issues displayed a couple of firm spots including Superdrug, 3 better at 308p, and Freemans, 2 harder at 108p, both in response to Press comment. Dixons put on a few pence at 265p but Currys slipped 5 to 250p. Awaiting tomorrow's annual results, W. H. Smith cheapened 2 to 128p; analysts are looking for preliminary profits in excess of £37.5m.

Munford up again

Munford and White, in receipt of rival share exchange offers from Tunstall Telecom and Lep Group, advanced 11 more to 145p. Tunstall rose 10 to 300p and Lep 7 to 142p. Among other Electrical issues, Microfocus advanced 30 to 710p, while VG Instruments, still reflecting recent favourable mention, firmed 8 further to 216p. Awaiting tomorrow's interim results, Cambridge Electronic improved 6 to 333p. BSR, in contrast, remained under the shadow of last week's disappointing figures and gave up 8 further at 155p.

Davy Corporation were a relatively lively market following weekend Press suggestions of a bid from Babcock or Ensearch; up to 92p at one stage Davy fell back to 86p before settling only a penny cheaper on balance at 88p. Babcock gave up 4 at 129p. Elsewhere in the Engineering sector, revived demand left Birmid Qualcast 4 up at 84p. Dealings were temporarily suspended in Astra Industrial, at 12p, pending an announcement.

Particularly firm in the latter half of last week, Foods turned distinctly easier as profit-taking took its toll. Current takeover favourite Rowntree Mackintosh, at 314p, gave up 8 of Friday's speculative gain of 14, while Brooke Bond shed 3 to 114p in the absence of any fresh bid the absence of any fresh bid developments. Cadbury Schweppes softened a couple of pence to 136p; the interim results are due on Thursday. Northern Foods came on offer and shed 4 to 160p, while United Biscuits, 148p, and Unigate, 123p, both lost 2. Among Retailers, Dee Corporation closed a shade dearer at 515p following the chairman's confident annual statement.

London Park Hotels moved up 5 to match the 340p per share confirmed cash offer from Mr Nurdin Jivraj's Rushlake Hotels.

Cookson improve

An extremely quiet trading session in the miscellaneous industrial leaders ended with quotations a few pence easier on the day. Weekend Press mention stimulated occasional demand for Cookson, which touched 325p before settling 13 to the good at 320p. Kean and Scott, also the subject of newspaper comment, improved 3 to 54p. Applied Computer Techniques continued to reflect satisfaction with the recent Hong Kong deal and put on 5 further to 245p. Associated Heat put on 9 to 297p, while other bright spots included V.W. Thermax, 5 up at 135p, and United Packaging, a like amount dearer at 75p. Chubb, a good market late last Friday following a burst of buying activity on counter-bid hopes, ran back 8 to 269p. Polly Peck came back 5 to 220p, while I.D. and S. Rivlin, the subject of persistent speculative demand on assets injection hopes last week, eased 4 to 104p. Dealings were temporarily suspended in Airship Industries, at 31p, pending an announcement.

Among travel issues, Intasun found support and firmed 5 to 112p, but Horizon, which on Friday rebuffed Grand Metropolitan's bid approach, shed that much, to 170p; Horizon's interim results are due tomorrow.

Among generally dull Motors, BL gave up 2 to 40p following news of the near-20 per cent fall in the group's commercial vehicle output in the first half of this year. Among Components, a lack of interest left Lucas Industries the turn easier at 185p and Dunlop 2 down at 41p.

In the wake of Friday's announcement that Dr Ashraf Marwan had recently built up a 5 per cent stake in the company, Fleet Holdings succumbed to profit-taking and dropped to 190p before closing a net 7 down on balance at 193p. Elsewhere in Newspapers, Bristol Post found support at 323p, up 13. Good Relations featured Paper concerns, rising 8 to 188p in reply to comment ahead of tomorrow's interim results. Sir Joseph Causton also reflected newspaper mention with a rise of 3 at 81p.

Among Properties, York Mount firmed 3 to 55p in reply to the increased interim profits and the Board's confident statement on second half prospects.

Textiles plotted an irregular course in thin trading. Burmatex put on 6 to 160p and Yorklyde added 5 at 140p. Carpets International softened a penny to 22p in front of today's interim results.

Leading Tobaccos suffered from a lack of interest. Bats drifted down 4 to 255p and Imps 2 to 159p.

Oils subdued

The oil majors lost ground at the outset, but subsequently moved off the lowest following the Saudi Arabian statement about the world oil situation. British Petroleum, additionally depressed by fading hopes of a major oil find in the South China Seas, slipped to 465p prior to closing a net 7 off at 468p. Shell were 5 cheaper at 610p, after 605p, and Ultramar 3 easier at 235p, after 232p. Burmah lacked support and shed 5 to 187p, while Tricentrol gave up 4 at 192p. Irish oil exploration issues displayed a bright feature in Oliver Prospecting and Mining (dealt under Special Rule). Sudden speculative demand in a very restricted market saw the price soar to 180p before profit-taking brought a close of 130p, up 60 on balance. Eglington reacted to 115p before picking up to close unchanged on balance at 125p. Bryson ended 12 down at 388p, after 375p, and Atlantic Resources a couple of pence cheaper at 76p. Elsewhere, Premier attracted occasional interest and hardened 2 to 60p xc, but Petranol shed 10 to 480p on profit-taking. Among Australian oils, Claremont Petroleum, widely regarded as a takeover target, put on 4 more to 123p.

Modest falls for Golds

Mining markets began the second leg of the extended trading account in an all-too-familiar lacklustre mood. A shade firmer at the outset reflecting overnight indications from Wall Street, South African Golds later succumbed to scrappy selling following another uninspiring performance by the bullion price. Despite a slightly firmer Rand, Johannesburg activity was at a near-standstill and with small offerings emanating from Continental sources, most shares closed at the day's lowest.

Bullion hovered around the $350 per ounce level throughout the session before settling a net $2 lower at $349.50 per ounce.

Heavyweights displayed modest falls with Durban Deep ½ cheaper at £16. Falls of ½ were common to President Steyn, £34½, Western Holdings, £31½, and Harmony, £13½; the latter's annual figures, originally scheduled for September 7, will now be announced a week later.

Among the more marginal counters, Venterspost, 750p, and Unisel, 807p, declined 35 and 54 respectively, while Hartebeest, 560p, and Western Areas, 424p, eased 11 apiece. The FT Gold Mines index closed 5 points lower at 573.8.

Australians gave ground initially behind sporadic London pressure, although most improved during the afternoon to close a shade firmer for choice. Among the leading diversified issues, Western Mining, 228p, CRA, 358p, and MIMS, 196p, all hardened around 5. Golds also made slight progress under the lead of Gold Mines of Kalgoorlie, 10 up at 500p. More speculative issues showed Central Pacific 3 dearer at 25p and Whim Creek 4 up at 194p, although Meekatharra, active last week on the possibility of a South Australian coal contract, dipped 4 to 61p.

Elsewhere, Canada's Westfield Minerals spurted 10 to 90p on fresh speculative demand.

Activity in Traded Options remained disappointingly low. Total contracts struck amounted to 2,918, comprising 2,147 calls and 771 puts. Last week's daily average was 3,159. The FTSE 100 index contract accounted for 239 calls and 173 puts. Volume traded elsewhere again owed much to continued demand for Jaguar positions with business improved by weekend Press comment; 681 calls were transacted with the December 180's again proving popular with 458 trades done. Grand Metropolitan attracted 283 calls, 105 in the October 330's.

FINANCIAL TIMES STOCK INDICES

	Aug 20	Aug 17	Aug. 16	Aug. 15	Aug. 14	Aug 13	Year ago
Government Secs ...	79.80	79.96	80.17	80.22	80.57	79.95	79.82
Fixed Interest	83.19	83.34	83.01	83.06	83.14	82.86	82.65
Industrial Ord.	833.2	838.3	834.1	841.6	849.6	840.5	740.4
Gold Mines	573.8	578.8	561.8	560.7	563.0	543.6	661.2
Ord. Div. Yield	4.95	4.92	4.95	4.91	4.86	4.92	4.54
Earnings, Yld.% (full)	11.65	11.58	11.65	11.66	11.46	11.59	9.19
P/E Ratio (net) (*).....	10.32	10.38	10.32	10.40	10.50	10.37	13.54
Total bargains (Est.)	17,920	17,724	17,713	18,571	18,060	19,986	19,663
Equity turnover £m.	—	228.87	254.36	263.36	247.98	281.35	176.29
Equity bargains	—	14,257	15,009	16,729	16,945	19,681	18,409
Shares traded (ml)....	—	126.8	138.8	155.4	140.0	147.1	122.0

10 am 836.2. 11 am 833.3. Noon 832.5. 1 pm 832.0. 2 pm 832.0. 3 pm 832.2.

Basis 100 Govt. Secs. 15/1/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

*Nil=9.88.

HIGHS AND LOWS / S.E. ACTIVITY

—	1984 High	1984 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs	83.77 (9/1)	75.72 (30/7)	127.4 (9/1/35)	49.48 (3/1/75)
Fixed Int ...	87.48 (14/3)	80.43 (30/7)	155.4 (28/11/47)	50.03 (31/1/75)
Ind. Ord....	922.8 (3/5)	755.3 (23/7)	922.8 (3/5/84)	49.4 (26/6/40)
Gold Mines	711.7 (9/3)	485.7 (1/8)	734.7 (15/2/83)	43.5 (26/10/71)

	Aug 17	Aug. 16
Daily Gilt Edged Bargains ...	151.3	140.7
Equities Bargains ...	92.4	97.2
Value ...	450.5	473.7
5-day Average Gilt Edged Bargains ...	154.8	158.0
Equities Bargains	107.1	117.5
Value	505.3	578.0

NEW HIGHS AND LOWS FOR 1984

NEW HIGHS (31)

AMERICANS (3)
Bell Souht; Lockheed; IBM Corp.

CANADIANS (1)
Rio Algom

BUILDINGS (2)
Tilbury Group; UBM

CHEMICALS (1)
Snia BPD

ENGINEERING (2)
Deritend Stamping; IMI

HOTELS (1)
London Park Hotels

INDUSTRIALS (7)
Celestion; Ramco Oil; Grippeerrods; Ropner; Hartons; Do. A; Lep

INSURANCE (2)
Marsh & McLennan; Stewart Wrightson

LEISURE (2)
Pres. Entertainmts.; SeaCo Inc.

NEWSPAPERS (1)
Internatl. Thomson

PAPERS (1)
LCA

PROPERTY (2)
London Shop Prop.; Treecherwood

TEXTILES (1)
Yorklyde

TRUSTS (1)
Amalg'd Fin. Invs.

OILS (2)
Oliver Prospecting; Sun (U.K.) Royalty

PLANTATIONS (1)
Williamson Tea

MINES (1)
Pahang

NEW LOWS (18)

ELECTRICALS (5)
DJ Security Alarms; Real Time Control; Intec; Resource Technology; Percom

ENGINEERING (1)
Whjay

INDUSTRIALS (7)
Barham; Platon Internatl.; Benlox; Sutcliffe Speakman; Hewitt (J.); Unibond; PLM B

LEISURE (2)
Boosey & Hawkes; Piccadilly Radio

MOTORS (1)
Davis (Godfrey)

TEXTILES (1)
Stroud Riley Drum.

TRUSTS (1)
Baillie Gifford Tech.

RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing price	+ or —	Net Div.	Times covered	Gross Yield	P.E. Ratio
§95	F.P.	31/8	110	103	✣Alphameric 5p..	105	....	0.7	5.2	0.9	29.0
110	F.P.	31/8	88	82	Amari.	85	—2	bg4.8	2.6	8.1	6.8
§95	F.P.	7/9	102	96	✣Berkeley Grp.	100		u3.6	2.6	5.1	10.7
§75	F.P.	7/9	89	81	✣Blue Arrow.	84	+2	bg1.2	5.2	2.0	10.9
§62½	F.P.	16/8	85	65	✣Britannia Sec G 10p.	82	—2	u1.0	3.8	1.7	18.7
§88	F.P.	17/8	92	73	✣Bush Radio 10p......	81	......	bg1.0	4.5	1.8	16.7
¶120	F.P.	23/8	126	123	✣Compsoft Hdgs. 5p.	125		g1.5	3.0	1.7	26.2
§135	F.P.	3/8	180	137	✣DDT Group 5p	176	—1	u1.0	5.9	0.8	25.2
**	F.P.	—	£35½	£35½	Derwent ValleyHgs.£1	£35½		—	—	—	—
¶185	100	12/9	106	92	Enterprise Oil	94	—1	b7.0	3.2	5.6	8.1
58	F.P.	31/8	50	48	✣EntertainProdSer5p	48		b3.25	2.1	6.7	8.4
‖ ‖	F.P.	31/8	100	85	Falcon Res. 20p	95		—	—	—	—
§33	F.P.	3/8	38	31	✣Gee-Rosen 5p.	35	+1	u1.5	1.6	6.1	13.4
160	F.P.	24/9	220	185	Great Western Res. ‖	195		—	—	—	—
‖ ‖	F.P.	—	140	140	✣Ind. Scot. Energy £1	140		—	—	—	—
‖ ‖	F.P.	—	£14	£15½	Inv. AB Beijer 'A'SK.50	£14		7.0	b2.5	2.4	17.5
165	F.P.	28/9	181	174	Jaguar	174	—3	b7.75	2.8	6.4	7.3
**	F.P.	—	48	26	MurrayVentureaWrrts	30		—	—	—	—
§214	F.P.	—	278	242	PWS Intnl. 10p.	278	+4	9.0	2.7	4.6	10.4
§60	F.P.	22/8	62	45	✣Pacific Sales 10p.	45	—5	b2.4	2.2	7.6	8.3
132	F.P.	16/8	132	127	Sarasota Tech'gy 10p	130	+1	g1.9	4.1	2.1	16.8
§380	F.P.	10/8	400	378	✣TDS Circuits 5p	398	—2	u4.9	3.5	1.8	23.0
§55	F.P.	12/8	58	56	✣Tinsley (Eliza) 5p...	58		u2.89	2.4	7.1	6.6

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing price	+ or —
100	£30	—	35⅛	30⅞	Amer. Brands 12½% Un. Ln. 2009	32½	—¼
§100	£10	26/10	21	10½	Cambridge Water 13% Red. Deb. 2004	19½	
**	F.P.	—	98p	92p	Derwent Valley 10% Cum. Red. Pref.	98p	
99.161	£30	—	30	29¾	Intl. Bk. for Recon. & Dev. 11⅝% Ln. 2003	29¾	—⅛
§98.152	£25	22/11	28⅝	22	Marley 11⅞% Deb. 2009	28¼	—¼
—	F.P.	—	100⅛	99⅞	Nationwide 12¼% 5.8.85	100⅛	
—	F.P.	—	100	100	" 10⅞% 27.8.85	100	
92.689	£30	24/10	34⅝	27	New Zealand 11⅛% 2014	33¼	—¼
§100	£10	5/9	13½	10½	Portsmouth Water 13% Red. Deb. 1994	13½	+½
‖	F.P.	10/9	95	95	TR Energy 8% Cnv. Uns. Ln. '97-2001	95	
‖	Nil	—	50ppm	50ppm	Trans-Natal Coal 12.7% Uns. Cnv. Deb	50ppm	
§100	£10	27/9	13½	10½	York Waterworks 13% Red. Deb. 1994	13½	+½

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing price	+ or —
50	F.P.	29/8	82	66	Anvil Pet. 20p.	75	
¶133	Nil	20/9	4pm	½pm	✣Applied Botanics Units	3½pm	
A$5.7	Nil	21/9	75pm	45pm	ANZ A$1	75pm	+5
11	F.P.	21/9	12½	11	Bluemel Bros.	11	
A$7.5	F.P.	2/5	765	489	Broken Hill Prop. A$2	672	+22
260	F.P.	14/9	405	302	Brown Shipley £1	400	—5
85	F.P.	14/9	100	88	Falcon Res. 20p.	95	
255	F.P.	28/9	292	237	Hill Samuel	285	—7
110	Nil	—	33pm	33pm	✣Ind. Scotland Energy £1	33pm	
4	Nil	14/9	½pm	¼pm	LOFS Pfd. Ord. 1p.	¼pm	—¼
200	Nil	7/11	290pm	257pm	NatWest Bank £1	282pm	+22
90	Nil	28/9	85pm	15pm	Norton Opax 10p	15pm	—2
A$4	A$2	—	285pm	122pm	Santos A0.25c	275pm	
370	F.P.	10/8	445	379	Thorn EMI	435	—5
192	Nil	12/10	72pm	60pm	Unitech 10p	68pm	—2
375	F.P.	7/9	443	429	Waddington (J)	443	

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimates. *d* Dividend rate paid or payable on part of capital; cover based on dividend on full capital. *g* Assumed dividend and yield. *u* Forecast dividend cover based on previous year's earnings. C Canadian. F Dividend and yield based on prospectus or other official estimates for 1984. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. *p* Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ▌▌ Allotment letters (or fully-paid). ‖‖ Introduction. ✣ Unlisted Securities Market. § Placing price. † Units comprising 6 Ord. £1 nom 12 per cent Cnv.Uns.Ln. 95/2000.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	4	80	20
Corpns. Dom. and Foreign Bonds ...	4	7	67
Industrials	263	284	867
Financial and Props.	106	74	345
Oils	31	31	61
Plantations	4	1	13
Mines	35	50	95
Others	67	42	134
Totals	514	569	1,602

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
BP	468	— 7
Brooke Bond	114	— 3
Chubb	269	— 8
Commercial Union	180	— 1
Cookson	320	+13
Davy Corporation	88	— 1
Fleet Holdings	193	— 7
ICI	590	— 4
Midland Bank	337	+ 9
NatWest Bank†	282pm	—22
Rowntree Mackintosh	314	— 8
Shell Transport	610	— 5

† Nil paid.

OPTIONS

For rate indications see end of Share Information Service.

First Dealings	Last Dealings	Last Declaration	For Settlement
Aug 20	Aug 31	Nov 22	Dec 3
Sept 10	Sept 21	Dec 6	Dec 17
Sept 24	Oct 5	Dec 20	Dec 31

Call options were taken out in Premier Oil, L. and J. Hyman, Eglinton Oil and Gas, Birmid Qualcast, Keep Trust, Standard Telephones and Cables, Commercial Union, Inter-City Investments, Selincourt, Berkeley and Hay Hill, Petranol, Atlantic Resources, Combined Technologies, GRA, BSR, Ryan Hotels, Mersey Docks, and Jaguar. No puts or doubles were reported.

FRIDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Fri. close	Day's change
Horizon Travel	15	175	—
Davy Corpn.	14	89	+ 1
Prudential	14	525	+15
Delta Group	12	90	+ 5
ICI	11	594	+ 2
STC	11	276	+ 2
BSR Int'l	10	163	— 2
BTR	10	483	+10
Euro. Ferries	10	107½	—
Glaxo	10	935	+10
Jaguar New	10	177	+ 1
NatWest Bank†	10	260pm	—
RTZ	10	567	+ 4
Unilever	10	910	+ 5

† Nil paid.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Mon Aug 20 1984 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (ACT at 30%)	Est. P/E Ratio (Net)	Fri Aug 17 Index No.	Thurs Aug 16 Index No.	Wed Aug 15 Index No.	Tues Aug 14 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (204)	582.21	+0.2	10.09	3.90	12.43	581.39	580.53	585.98	587.84	480.83
2	Building Materials (23)	457.23	+0.1	14.05	5.24	8.78	456.91	455.00	457.12	461.15	438.25
3	Contracting, Construction (30)	675.20	+0.2	14.50	5.60	8.80	674.10	674.42	673.62	675.35	745.44
4	Electricals (14)	1557.12	−0.3	10.34	4.79	12.81	1561.05	1543.80	1558.74	1542.84	1792.12
5	Electronics (31)	1796.24	+0.5	8.15	2.29	15.56	1787.91	1800.87	1823.50	1832.71	0.0
6	Mechanical Engineering (62)	247.86	−0.1	11.56	4.95	10.56	248.11	246.34	249.12	251.13	206.20
8	Metals and Metal Forming (9)	185.13	+0.1	12.66	7.87	9.92	184.95	182.29	185.87	184.42	185.97
9	Motors (18)	120.35	−0.9	10.40	5.48	—	121.40	119.80	120.76	120.49	122.58
10	Other Industrial Materials (17)	676.80	—	6.93	3.62	17.89	676.87	668.48	674.64	678.82	553.65
21	CONSUMER GROUP (193)	510.57	−0.7	10.91	4.39	11.29	514.99	511.85	515.11	516.53	446.20
22	Brewers and Distillers (23)	510.14	−0.7	12.80	4.96	9.55	513.62	510.24	515.78	522.46	471.32
25	Food Manufacturing (22)	390.35	−0.9	14.39	5.60	8.59	393.95	388.06	390.18	391.60	341.16
26	Food Retailing (12)	1184.95	−1.1	7.42	2.71	17.74	1198.00	1185.70	1195.77	1208.95	936.31
27	Health and Household Products (9)	862.36	−0.5	5.80	2.81	20.68	867.04	861.23	863.69	869.38	817.67
29	Leisure (23)	576.53	−1.0	9.42	5.29	13.85	582.61	583.84	592.48	592.47	587.90
32	Newspapers, Publishing (13)	1297.57	−0.8	8.22	4.21	15.26	1308.62	1304.84	1293.20	1286.65	963.23
33	Packaging and Paper (15)	244.29	−0.5	14.41	5.64	8.03	245.64	240.63	243.23	242.12	196.36
34	Stores (46)	432.36	−0.4	9.82	4.13	13.57	434.11	434.62	434.66	438.13	403.06
35	Textiles (19)	264.52	−0.1	13.92	5.06	8.33	264.81	265.10	267.43	267.16	219.74
36	Tobaccos (3)	688.74	−1.4	16.29	5.29	6.93	698.42	699.93	708.66	691.93	418.28
39	Other Consumer (8)	468.22	—	14.27	4.63	—	468.11	465.41	467.13	468.97	423.69
41	OTHER GROUPS (86)	451.11	−0.3	10.82	4.75	11.55	452.52	451.81	456.51	457.38	397.68
42	Chemicals (17)	594.02	−0.6	14.83	5.30	8.60	597.72	596.12	602.37	605.65	549.13
44	Office Equipment (4)	135.08	−0.2	8.48	5.68	13.39	135.29	132.33	133.22	132.76	114.77
45	Shipping and Transport (13)	860.60	+0.1	8.77	7.87	15.18	859.77	860.49	865.56	866.43	722.48
46	Miscellaneous (52)	628.99	−0.2	8.55	3.71	14.23	630.13	630.48	637.62	637.62	541.97
49	INDUSTRIAL GROUP (483)	504.26	−0.4	10.64	4.29	11.67	506.21	504.51	508.57	510.26	454.25
51	Oils (17)	1035.87	−1.1	14.42	6.70	8.62	1046.96	1045.91	1062.18	1060.97	1055.25
59	500 SHARE INDEX (500)	548.76	−0.5	11.25	4.68	11.04	551.49	549.84	554.94	556.38	504.72
61	FINANCIAL GROUP (119)	384.89	+0.8	—	5.79	—	381.85	380.55	381.36	381.58	342.09
62	Banks (6)	363.83	+2.8	23.62	8.54	5.28	353.92	355.62	357.79	360.20	354.44
63	Discount Houses (6)	434.31	−0.4	—	7.05	—	436.20	436.73	433.22	431.97	292.99
65	Insurance (Life) (9)	539.37	+0.9	—	4.94	—	534.67	522.65	524.02	520.52	495.46
66	Insurance (Composite) (8)	276.95	+0.3	—	6.64	—	276.13	275.75	272.25	272.30	238.69
67	Insurance (Brokers) (6)	827.09	+0.2	8.90	4.09	15.60	825.26	819.94	823.65	813.75	570.25
68	Merchant Banks (12)	203.42	−0.3	—	5.04	—	203.99	203.59	205.36	203.28	206.59
69	Property (53)	586.68	—	5.40	3.65	24.60	586.66	586.64	588.74	592.31	461.75
70	Other Financial (19)	249.91	−0.2	11.53	5.52	10.58	250.46	249.80	253.06	252.93	258.58
71	Investment Trusts (104)	508.10	—	—	3.71	—	507.91	507.77	511.83	511.33	454.36
81	Mining Finance (4)	279.15	−0.7	10.07	5.37	12.75	280.99	278.65	279.18	283.05	330.44
91	Overseas Traders (14)	560.17	—	10.34	6.91	11.98	560.42	558.58	560.14	559.19	504.53
99	ALL-SHARE INDEX (741)	507.36	−0.3	—	4.84	—	508.65	507.12	511.88	512.23	465.67
		Index No.	Day's Change	Day's High	Day's Low						
	FT-SE 100 SHARE INDEX	1074.4	−3.6	1076.0	1071.3	—	1078.0	1082.9	1091.8	1094.1	0.0

FIXED INTEREST

	PRICE INDICES	Mon Aug 20	Day's change %	Fri Aug 17	xd adj. today	xd adj. 1984 to date
	British Government					
1	5 years	116.20	−0.12	116.35	0.21	7.34
2	5—15 years	126.72	−0.22	127.47	0.47	9.36
3	Over 15 years	134.00	−0.15	135.27	0.66	9.83
4	Irredeemables	146.46	−0.28	146.87	—	7.27
5	All stocks	125.94	−0.18	126.56	0.40	8.75
6	Debentures & Loans	186.86	−0.27	186.35	—	6.70
7	Preference	76.31	+0.20	76.16	—	3.78
	BRITISH GOVERNMENT INDEX-LINKED STOCKS					
8	All stocks	101.53	+0.01	101.40	0.08	1.21

	AVERAGE GROSS REDEMPTION YIELDS		Mon Aug 20	Fri Aug 17	Year ago (approx.)
	British Government				
1	Low Coupons	5 years	11.11	11.07	10.09
2		15 years	10.72	10.67	10.57
3		25 years	10.26	10.24	10.19
4	Medium Coupons	5 years	11.78	11.72	11.79
5		15 years	11.12	11.09	11.27
6		25 years	10.47	10.45	10.60
7	High Coupons	5 years	11.80	11.73	11.89
8		15 years	11.29	11.27	11.47
9		25 years	10.56	10.55	10.69
10	Irredeemables†		10.16	10.13	10.06
11	Debs & Loans	5 years●	12.47	12.44	12.39
12		15 years●	12.33	12.29	12.31
13		25 years●	12.18	12.14	12.25
14	Preference†		13.06	13.09	12.79
15	Inflation rate	5%	3.75	3.75	3.33
16		10%	3.55	3.55	3.16

†Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

●Corrected figures for 17th August, 1984

EUROPEAN OPTIONS EXCHANGE

Series		Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	May Vol.	May Last	Stock
GOLD C	$375	4	8	11	15.30	—	—	$350
GOLD C	$400	8	3.70	—	—	—	—	"
GOLD P	$325	10	3.50	—	—	10	5	"
GOLD P	$350	—	—	—	—	1	10.50	"
GOLD P	$400	4	48	—	—	—	—	"
		Sept.		Dec.		Mar.		
SILVER C	$9	10	0.01	—	—	—	—	$7.79
SILVER C	$10	—	—	—	—	16	0.25	"
$/FL C	$320	—	—	5	8.70 A	1	9.20	$323.80
$/FL C	$325	100	3	2	6.50	—	—	"
$/FL C	$330	23	1.50 A	1	4.80	—	—	"
$/FL P	$305	3	0.40	—	—	—	—	"
$/FL P	$310	10	1	—	—	1	9.50	"
$/FL P	$315	2	2.30	2	7.80	1	11.80	"
$/FL P	$320	20	3.30 B	—	—	5	14.60	"
$/FL P	$330	—	—	—	—	1	20.60	"
		Oct.		Jan.		Apr.		
ABN C	F.300	70	9.50	14	14	7	17	F.294
ABN C	F.320	72	3.50	18	9.50	1	13	"
ABN P	F.280	53	9.50	26	11	1	14.50	"
AEGN C	F.130	2	1.40	14	3.40	1	—	F.118
AEGN P	F.120	2	5.50	—	—	1	5	"
AH C	F.180	17	7	4	12.80	5	8.50	F.188
AH P	F.190	7	6.50	—	—	4	17	"
AKZO C	F.80	60	12.70	66	14.50	5	12.50	F.90.80
AKZO C	F.90	448	6	17	9.60	6	16.50	"
AKZO C	F.100	311	2.70	234	4.70	24	11	"
AKZO C	F.110	95	1	—	—	—	7.20	"
AKZO P	F.80	60	1	75	3	—	—	"
AKZO P	F.90	39	3.70	86	7	20	—	"
AMRO C	F.65	26	0.40	—	—	—	7.80	F.53.30
AMRO P	F.55	21	3.70	7	4.50	—	—	"
GIST C	F.150	27	7	—	—	1	—	F.160.70
GIST P	F.140	15	1.20	—	—	—	14A	"
HEIN C	F.140	84	5	37	7.50	—	—	F.139
HEIN P	F.120	35	1	4	2.50	—	—	"
HOOG C	F.53.20	125	3.70	—	—	—	—	F.54.40
HOOG P	F.45	10	0.60	150	1.90	—	—	"
HOOG P	F.48.20	82	1.40	—	12.40	—	—	"
KLM C	F.180	92	7	9	8	—	—	F.177
KLM C	F.190	84	4	20	4.20	—	—	"
KLM P	F.160	103	2.10	2	7.90	—	—	"
KLM P	F.170	57	4.30 B	9	—	—	—	"
NEDL C	F.100	31	11	—	16.50	—	—	F.108.50
NATN C	F.210	9	14.50	12	6.60	—	—	F.224
NATN P	F.220	—	—	5	—	—	—	"
NNO C	F.218.20	10	8.50	—	—	—	—	"
NNO P	F.200	5	1.40	—	—	—	—	"
PETR C	Fr.7000	5	300	3	500	—	—	Fr.6980
PHIL C	F.45	57	5.30	29	6	18	7.60	F.49.10
PHIL C	F.50	251	1.80	133	3.10	64	4.20	"
PHIL P	F.40	85	0.20	—	—	—	—	"
PHIL P	F.45	139	0.70	13	1.50	10	2	"
PHO C	F.45.50	33	4.60 A	—	—	—	—	"
PHO P	F.45.50	20	0.80	—	—	—	—	"
RD C	F.160	671	3.30	67	7.20	12	9.80	F.156.60
RD C	F.170	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
RD P	F.150	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
RD P	F.160	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
UNIL C	F.260	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	F.268
UNIL P	F.240	2	1.20 A	2	2.70	—	—	"

TOTAL VOLUME IN CONTRACTS: 7,171

A=Ask B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Option		Calls Oct.	Calls Jan.	Calls Apr.	Puts Oct.	Puts Jan.	Puts Apr.
B.P. (*470)	390	83	93	100	4	7	8
	420	63	68	75	6	13	18
	460	25	35	45	23	33	43
	500	8	18	30	50	57	63
	550	4	6	—	90	97	—
Cons Gold (*529)	460	77	87	95	6	13	18
	500	45	55	65	20	27	35
	550	22	33	40	42	52	60
	600	8	20	—	85	93	—
	650	2	8	—	132	137	—
Courtaulds (*121)	110	16	17	20	3	6	6
	120	9	11	13	6	9	10
	130	8	7	9	12	14	16
	140	2	5	—	20	22	—
	160	1	3	—	40	41	—
Com. Union (*179)	160	27	—	—	3	—	—
	180	12	21	27	9	13	17
	200	7½	13	16	24	28	31
	220	3	7	10	45	47	49
	240	2	—	—	64	—	—
G.E.C. (*208)	160	52	56	60	2	3	4
	180	32	38	42	5	6	9
	200	14	22	28	7	12	16
	220	5	10	15	18	22	26
Grand Met. (*300)	275	30	—	—	4	—	—
	280	—	36	40	—	8	14
	300	12	18	24	14	20	26
	330	5	8	14	38	38	48
	360	2	4	—	66	66	—
I.C.I. (*592)	500	100	104	110	2	4	8
	550	52	56	64	8	13	20
	600	20	32	41	22	30	38
	650	5	14	—	62	66	—
Land Sec. (*286)	240	49	—	—	1	—	—
	260	31	37	45	4	6	9
	280	15	21	28	10	15	18
	300	6	10	16	22	28	30
Marks & Sp. (*109)	100	16	19	24	3	4	6
	110	9	13	15	6½	9	12
	120	4	6	8	15	18	20
	130	2½	4	—	24	26	—
	140	1½	—	—	33	—	—
Shell Trans. (*610)	500	120	127	132	3	6	12
	550	70	77	85	6	15	22
	600	30	40	45	23	37	40
	650	10	20	25	58	60	67
	700	4	8	—	98	102	—

Option		Calls Aug.	Calls Nov.	Calls Feb.	Puts Aug.	Puts Nov.	Puts Feb.
Barclays (*458)	420	42	57	70	2	7	11
	460	7	27	37	8	20	27
	500	1	12	20	45	47	52
	550	1	3	—	95	95	—
Imperial Gp. (*156)	140	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	160	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	180	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
LASMO (*286)	260	27	40	52	1	10	17
	280	9	32	40	5	18	27
	300	3	23	30	20	33	40
	330	1½	12	18	50	55	62
Lonrho (*148)	120	29	31	33	0½	1½	2
	130	19	22	26	0½	2	3
	140	10	15	18	2	5	8
	160	1½	5	8	13	16	17
P. & O. (*311)	260	52	59	—	2	2	—
	280	32	39	45	2	5	7
	300	12	21	28	2	12	14
	330	2	10	16	21	26	30
Racal (*226)	180	48	—	—	1	—	—
	200	28	34	43	1	4	6
	220	9	20	28	3	9	14
	240	2	10	17	16	20	24
	260	—	4	9	—	36	38
R.T.Z. (*564)	500	65	77	87	1½	8	18
	550	20	42	55	8	27	32
	600	5	23	35	44	50	60
	650	1½	9	22	92	97	100
Vaal Reefs (*$106)	90	16	21	23½	0¾	3½	4
	100	6	14	16	1	5½	7
	110	1½	9½	11	5½	9½	12
	120	1	5	7	17	16	18½

Option		Calls Sep.	Calls Dec.	Calls Mar.	Puts Sep.	Puts Dec.	Puts Mar.
Beecham (*335)	280	60	67	72	1½	2	4
	300	42	50	57	3	7	9
	330	18	31	37	11	18	22
	360	5	15	18	35	40	45
Bass (*385)	300	95	—	—	1	—	—
	330	65	70	75	1	4	6
	360	35	45	50	5	11	14
	390	12	18	27	14	18	25
De Beers (*$6.00)	500	110	120	130	6	12	18
	550	60	80	95	13	25	45
	600	27	50	70	30	45	75
	650	18	37	45	65	80	95
	700	5	20	—	110	120	—
Guest Keen (*171)	140	34	35	41	2	3	5
	160	15	18	23	5	8	11
	180	5	9	15	13	17	21
	200	3	5	—	30	34	—
Hanson (*218)	180	44	48	—	2	3	—
	187	37	—	—	3	—	—
	200	25	29	34	5	9	11
	220	9	13	16	9	15	16
	240	2½	5	—	26	29	—
Jaguar (*174)	160	16	23	30	3	5	6
	180	4	9	16	10	10	17
	200	2	5	8	27	29	32
Tesco (*178)	140	40	44	48	1½	2½	3
	160	21	25	28	2½	5	8
	180	6	10	15	8	12	16
FT-SE Index (*1074)	975	103	105	115	3	7	22
	1000	78	83	95	6	16	32
	1025	57	70	80	9	28	42
	1050	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	1075	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	1100	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Aug. 20. Total Contracts 2,918. Calls 2,147. Puts 771.

* Underlying security price.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked

[illegible]

INT. BANK AND O'SEAS GOVT STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS

Building Societies

[illegible]

Public Board and Ind.

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS, HP & LEASING

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES & SPIRITS

[illegible]

BEERS, WINES—Cont.

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY & STORES—Cont.

[illegible]

ELECTRICALS

[illegible]

ENGINEERING

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC

[illegible]

HOTELS AND CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

INSURANCES

LEISURE

LEISURE—Continued

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

MINES—Continued

Central African

1984 High	1984 Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
280	150	Falcon Z50c	170	.....	Q100c	ϕ	34.3
17	11½	Wankie Col. Z$1	12½	.....	—	—	—
21	14	Zam.Cpr.SBD0.24	15	.....	—	—	—

Australians

1984 High	1984 Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
45	23	♥ACM 50c	27	+1	—	—	—
38	17	♥Allstate Expl'n NL	17	.....	—	—	—
10½	4	♥Asia Oil & Minerals	5	.....	—	—	—
39	12	♥Aust. Hydrocarbons NL	17	.....	—	—	—
28	17½	♥Australis Mng NL	21	+1	—	—	—
45	15	♥Balmoral Res	28	.....	—	—	—
36	18	♥Black Hill Mins	23	+1	—	—	—
104	77	♥Bond Corp	84	+1	Q10c	6.7	7.8
177	90	♥Bougainville 1 Kina	133	+3	Q16.4c	1.2	9.4
406	276	♥CRA $2	358	+6	Q12c	1.5	2.2
86	44	♥Carr Boyd 20c	65	.....	—	—	—
40	25	♥Central Kalgoorlie	25	.....	—	—	—

Tins

Miscellaneous

NOTES

REGIONAL & IRISH STOCKS

OPTIONS — 3-month call rates

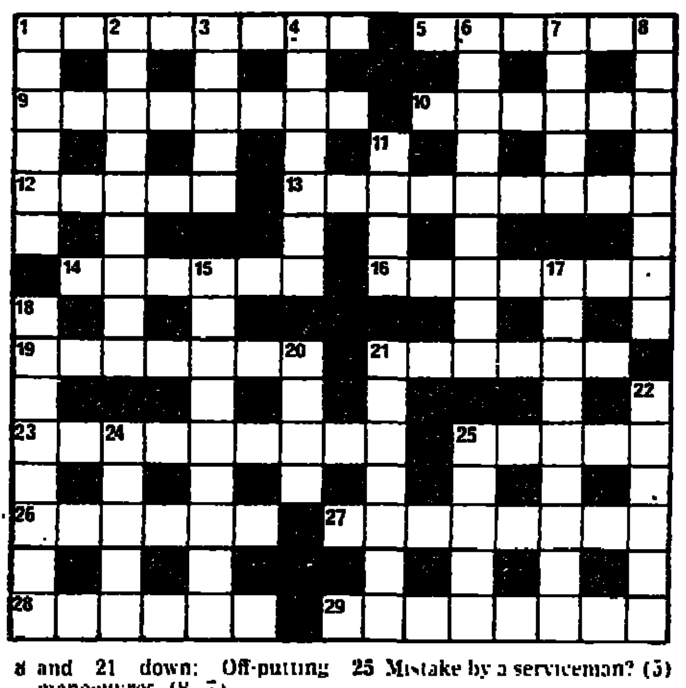
"Recent Issues" and "Rights" Page 27

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

INSURANCES

F.T. CROSSWORD PUZZLE No. 5,497



ACROSS

1 Nuts are found in them, and bolts (8)
5 Made to smile by a thought? (6)
9 The elder was made King of England (8)
10 Creature from Manila (6)
12 On the other hand, it's no loss (5)
13 Many cheer the reformation of Satan (4-5)
14 Could be mad with rage — or love (6)
16 They earn money from their craft (7)
19 Gentleman burglar held to raise money for charity (7)
21 Eat out on a badly run vessel (3-3)
23 Incorrectly teaches it in accordance with good taste (9)
25 Rejoice in unusual feats (5)
26 Mean he has to leave in the end (6)
27 Is untied maybe and split (8)
28 Dim sun, when out, will hardly encourage it! (6)
29 A hot line for the weatherman? (8)

DOWN

1 Observe present and past in child's play (3-3)
2 Foe had run into unprecedented difficulty (7-2)
3 Heavyweight gets round a novice with a hook (5)
4 Cheer a team endlessly at entry (7)
6 Little laughter is heard from this brave wife (9)
7 Some thousand held captive in battle (5)
8 and 21 down: Off-putting manoeuvres (8, 7)
11 He won't go out with his mates (4)
15 Unemployed crew with mischievous potentialities? (4, 5)
17 Fat fish swallowed by a serviceman (4)
18 The making of Haydn's oratorio (8)
20 Ties for position (4)
21 See 8 down
22 Mass of people moving about in the road in the morning (6)
24 Fed up with dates having to be rearranged (5)
25 Mistake by a serviceman? (5)

Solution to Puzzle No. 5,496

INSURANCE, OVERSEAS & MONEY FUNDS

Liberty Life Assurance Co Ltd

National Provident Institution

Save & Prosper Group

Target Life Assurance Co. Ltd.

Life Assur. Co. of Pennsylvania

Lloyds Life Assurance

New Zealand Ins. Co. (U.K.) Ltd.

Schroder Life Assurance Ltd.

Norwich Union Insurance Group

Pearl Assurance (Unit Funds) Ltd.

Phoenix Assurance Co. Ltd.

Pioneer Mutual Insurance Co. Ltd.

London Indemnity & Gnl. Ins. Co. Ltd.

London Life

Property Equity & Life Ass. Co.

Property Growth Assur. Co. Ltd.

London & Manchester Group

M & G Group

Providence Capitol Life Ass. Co. Ltd.

Provident Mutual Life Ass. Assn.

Prudential Pensions Limited

Reliance Mutual

Royal Life Insurance Ltd.

St George Assurance Co Ltd

Scottish Amicable Investments

Scottish Equitable Life Assce. Soc.

Scottish Life Investments

Scottish Mutual Assurance Society

Scottish Provident Institution

Scottish Widows' Group

Standard Life Assurance Company

Sun Alliance Insurance Group

Sun Life of Canada (UK) Ltd.

Sun Life Unit Assurance Ltd

Swiss Life Pensions Ltd

TSB Life Ltd

Tyndall Assurance/Pensions

Vanbrugh Life Assurance

Vanbrugh Pension Limited

Windsor Life Assur. Co. Ltd.

Trident Life Assurance Co. Ltd.

Transinternational Life Ins. Co. Ltd.

OFFSHORE AND OVERSEAS

Alexander Fund

Allied Hambro Fund Managers

Arbuthnot Securities (C.I.) Ltd

Bank of America International S.A.

Barclays Unicorn International

Bishopsgate Commodity Ser. Ltd.

Bridge Management Ltd.

Britannia Intl. Investment Mgmt. Ltd.

Brown Shipley Tst. Co. (C.I.) Ltd.

Butterfield Management Co. Ltd.

Capital International Fund S.A.

Charterhouse Japhet

CAL Investments (IoM) Ltd

Citibank (CI) Ltd

Cornhill Ins. (Guernsey) Ltd.

Credit Suisse International

DWS Deutsche Ges. F. Wertpapiersp

Delta Group

Dreyfus Intercontinental Inv. Fd.

EBC Trust Company (Jersey) Ltd.

Eurobond Holdings N.V.

Fidelity International

Fleming Group

Forbes Securities Management Ltd.

Framlington Overseas Fund Mngt. Ltd.

Free World Fund Ltd.

Gartmore Fund Managers (C.I.) Ltd.

Global Asset Management Corp.

Grindlay Henderson Mngt Ltd.

GT Management Ltd.

Guinness Mahon Intl. Fund (Guernsey)

Hambros Fd. Mgrs. (C.I.) Ltd.

Henderson Admin. & Man. (Guernsey)

Hill-Samuel & Co. (Guernsey) Ltd.

IBI Investment Mgmt. Ltd.

International Bond Trust

Jardine Fleming & Co. Ltd.

Korea International Trust

The Korea Trust

Lazard Brothers & Co. (Jersey) Ltd.

Lloyds Bank (C.I.) U/T Mgrs.

Lloyds Bank International, Geneva

Lloyds Life (Isle of Man) Ltd

Louis Dreyfus Commodity Fund

M & G Group

Manufacturers Hanover Geoffunds

Marine Midland (CI) Ltd

Midland Bank Tst. Corp. (Jersey) Ltd.

Murray, Johnstone (Inv. Adviser)

Negit S.A.

Nomura International Ltd

Old Court Fund Managers Ltd

Providence Capitol International Ltd.

Royal Trust International Fd. Mgt. Ltd.

Save & Prosper International

Schroder Mngt Services (Jersey) Ltd

Sentry Assurance International Ltd

Stronghold Management Limited

Surinvest (Jersey) Ltd.

TSB Trust Funds (C.I.)

Target Trust Mngrs (Jersey) Ltd

Tokyo Pacific Holdings N.V.

Tyndall Group

Tyndall International Assurance Ltd

Unico Investment Fund

Warburg & Co. Ltd. and subsidiaries

Wardley Investment Services Ltd.

Westerne Secs. (Guernsey) Ltd

World Wide Growth Management

Wren Commodity Management Ltd.

Yamaichi Dynamic Mngt Co SA

Money Market Trust Funds

Mallinhall Ltd

The Money Market Trust

Oppenheimer Money Management Ltd

Money Market Bank Accounts

Allied Irish Bank

Bank of Scotland

Barclays Prime Account

Britannia Grp of Investment Companies

Charterhouse Japhet

Clydesdale Bank

Co-operative Bank

Darlington & Co Ltd

Lombard North Central PLC

Midland Bank plc

Save & Prosper/Robert Fleming

Tyndall & Co

J. Henry Schroder Wagg & Co Ltd

NOTES—Interest rates given both as a nominal rate and an annual percentage rate adjusted for frequency of interest credit.

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix to U.S. dollars. Yields % (shown as last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of U.K. taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. † Guernsey gross. ‡ Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ■ Yield column shows annualised rates of NAV increase.

COMMODITIES AND AGRICULTURE

Malaysia tightens regulations on palm oil futures trading

BY WONG SULONG IN KUALA LUMPUR

THE MALAYSIAN Government has accepted the report of the task force on palm oil trading, which recommends major changes to the rules, structure and operation of the Kuala Lumpur Commodities Exchange, to prevent a recurrence of the crisis which rocked the exchange last March.

The recommendations are designed to inject confidence and stimulate trading on the KLCE, are being put into immediate effect as announced by Tan Sri Lee Booon Chim, the new KLCE chairman, over the weekend.

They include the increase of floor members' minimum paid-up capital and net tangible assets from ringitt 250,000 (£81,300) to ringitt 500,000 out of which ringitt 150,000 could be placed with the clearing house as a security deposit.

As a result, the clearing house will undertake immediate registration and full automatic guarantee for all trading done on the floor.

To prevent excessive speculation, the KLCE floor chairman and the clearing house will monitor continuously the volume traded by each member.

Tan Sri Lee said only six of the 18 floor members have met the additional paid-up capital requirement.

The task force also recommended increased ministerial power over the exchange to allow the government to intervene speedily in the event of another crisis.

Floor members will now be appointed only with the approval of Datk Paul Leong, the Minister of Primary Industries.

The minister said other major changes to the KLCE would be announced by Dr Mahathir, the Prime Minister, when he opens the new KLCE headquarters at the Daya Bumi complex later in the year.

Datuk Leong said he was confident that with the better financial standing, and greater professionalism among floor members, palm oil futures trading, which has been below 30 lots per day since March, compared with an average of 776 lots per day during 1983, would be revived.

In another development, Socoil, one of the oldest palm oil refiners in the country, has gone into receivership following heavl losses incurred through trading of physical palm oil.

Australia rejects sugar aid request

THE Australian Government has refused to match aid given to Queensland sugar cane farmers by the state government.

Mr Neil Turner, Queensland's Industry Minister, quoted Mr John Kerin, the federal Primary Minister, as saying that the Government would not consider the request for aid until the end of an inquiry which the sugar industry is conducting into its present and future operations.

Queensland had asked the federal Government to match the $4.5m (£3.4m) special aid it was giving to cane farmers hit by low world prices.

● ABUNDANT July rains over much of eastern Australia generally ended shortages of rainfall which had prevailed in previous months, the Meteorology Bureau said.

● CAMEROUN'S robusta coffee crop in 1983-84 will be only about 40,000 tonnes because of drought damage, according to Marseilles-based coffee trader Georges Daras. Daras, quoting local sources, said the next crop should be more normal at about 80,000 tonnes.

● WORLD BANK has granted Ghana $4.5m (£3.4m) to help it improve port facilities, Accra radio announced. Port congestion has seriously hindered shipments of cocoa, Ghana's main export, in recent years.

● HARVESTING of the Soviet grain crop has accelerated, helped by more favourable weather, but is still no better than average, the U.S. Agriculture Department's officer in Moscow said in a field report.

● THAI maize exports fell in July to 108,636 tonnes from 136,543 in June, but were up from 101,511 a year ago, the private board of trade said.

British buyers rescue Canadian fruit sales

BY BERNARD SIMON IN TORONTO

BRITISH CONSUMERS have recently come to the rescue of fruit growers in British Columbia, Canada's most westerly province. At a time when markets in South America have dried up and growers are having difficulty expanding their sales in the Far East, UK demand for Canadian apples is rising rapidly.

BC Tree Fruits, the grower-owned agency, which markets fruit grown in the lush Okanagan Valley of southern British Columbia, sold 400,000 boxes (7,260 tonnes) of apples to Britain last year.

Mr Lionel Desharnais, the company's general manager, hopes that shipments will increase in 1984, and reach close to 1m boxes within the next few years, partly at the expense of competitors in western Europe, the U.S. and the Southern Hemisphere.

As recently as 1980, the British market was virtually closed to Canadian apples, and shipments consisted mainly of fruit for gift hampers. One reason for the spurt in sales since then is the growing popularity of red apples—the only colour grown in significant numbers in British Columbia. Mr Desharnais also gives credit to BC Tree Fruit's British agent, Glass Glover and Co, which has wide discretion on promotion, pricing and distribution.

Canadian apples, mainly Red Delicious and Spartan varieties, are sold in Britain as high quality, up-market products. Mr Desharnais says his growers have no intention of entering the lower-priced mass market. High labour and transport costs give the Canadians little option but to concentrate on the top segment of the market.

Britain now vies with Taiwan as British Columbian growers' largest export market outside North America, and BC Tree Fruits is presently the Continent's largest apple exporter. About one-third of last year's crop of just over 9m boxes was shipped abroad.

Import controls in countries like Indonesia have prevented BC from expanding sales in the Far East, a region where the company sees big opportunities in the future. In the meantime, it plans to step up activities in France and West Germany. The Netherlands is already a significant customer.

The company sold a total of 454m lb of fruit, worth C$92.3m (£53.6m) in the season which ended last June. Apples contributed 85 per cent of sales, followed by pears (6.4 per cent), peaches (3 per cent) and cherries (2.8 per cent).

Poor pollination last spring is expected to lower this year's apple crop by about 1m boxes although, according to Mr Desharnais, "we're looking at some really good quality fruit."

BC Tree Fruits handles about 90 per cent of the Okanagan Valley crop, and has traditionally held an export monopoly. No grower has been allowed to export surplus fruit unless he belonged to the body which controls the company, the British Columbia Fruit Growers' Association.

The two bodies have recently been compelled to relax their grip on the marketing system. A number of growers, concerned at their inability to make ends meet without federal government subsidies, have begun to bypass established marketing channels. They contend that BC Tree Fruits and the Growers' Association are unnecessary middlemen with little incentive to improve their performance.

Several senior industry officials and packing house organisations face a charge under Canada's anti-trust laws of limiting fruit storage facilities to members of the Fruit Growers' Association.

The dissatisfaction has come to a head in recent months. In March, a group of growers set up a rival Okanagan Fruit Producers' and Shippers' Association which will act as a lobby group.

The authorities in British Columbia have also instructed the local Tree Fruit Marketing Board to reverse an earlier decision to refuse export permits to companies other than BC Tree Fruits.

In July, the board granted permits to five independent packing houses supported by a few hundred growers. One snag is that the initial permits, running for two years, exclude the two markets the independents are most eager to compete in, Britain and Taiwan. For the time being, they will probably concentrate on the U.S. and explore Far East markets such as Singapore and Hong Kong.

Nonetheless, the outsiders are already making their presence felt on the local market. Cherry prices have been unusually volatile this year, and Mr Desharnais agrees that the competition has put BC Tree Fruits on its toes. He says that "we're going to have our ear closer to the ground to stay on top of the situation."

Aluminium price falls to 17-month low

BY JOHN EDWARDS, COMMODITIES EDITOR

ALUMINIUM prices on the London Metal Exchange yesterday dipped to the lowest level since March 1983. The cash price closed £5 down at £852 a tonne and the market eased further in after hours trading.

The fall came in spite of news that daily average production of primary aluminium declined last month for the first time since February 1983.

Provisional estimates by the International Primary Aluminium Institute put output in July at 34,500 tonnes a day compared with 34,700 tonnes in June.

This means that output cuts, announced by leading North American and European producers earlier this year, are now beginning to bite although the impact in minimal as yet and has somewhat disappointed the markets.

There was little reaction to the further decline in aluminium stocks which took warehouse holdings down to the lowest level since November 1981.

Stocks changes for other metals made little impact

STOCKS IN LONDON METAL EXCHANGE WAREHOUSES

(Changes in week ending Aug 17)

Aluminium	−2,300 to 136,850
Copper	−4,200 to 176,600
Lead	−925 to 56,172
Nickel	−462 to 20,664
Tin	−865 to 26,065
Zinc	−1,050 to 51,800
	(tonnes)
Silver	+656,600 to 50,452,000
	(troy ounces)

Krugerrand sales rally

By Our Commodities Editor

WORLD SALES of Krugerrand gold coins jumped in July to 483,457 ounces, the highest level since March 1983 and an increase of 46 per cent over sales in June, according to the International Gold Corporation. However, the cumulative total so far this year at 1,858,708 ounces remains well down on last year because of a steep decline in sales during the first six months.

Intergold claims that the sharp rally in July sales reflects the belief of many investors that at present price levels the upside potential outweighs the relatively low downside risk.

K. W. Wilson, of Manchester stockbrokers Charlton Seal Dimmock and Co. predicts that "the probabilities are heavily weighted in favour of gold testing the $300 level before 1984 is out."

Tenants win Land Settlements case

BY OUR AGRICULTURAL STAFF

A GROUP of smallholders has won the first round in a legal battle with the British Ministry of Agriculture over the way it disbanded their tenants' association last year.

A High Court judge has ruled that the ministry was in breach of contract when it ceased supplying the smallholders, members of the now-dissolved *Land Settlements Association*, with centralised marketing, grading and packaging services for their produce.

The smallholders argued that the ministry was obliged to provide such services under a 1979 tenancy agreement.

The judgment will enable tenants to recover from the ministry the costs of setting up their own businesses after the LSA was disbanded, according to participants in the action.

However, the ministry is understood to be planning an appeal.

The judgment in this case served to encourage growers in a separate action against the ministry, in which they are claiming millions of pounds in damages on the grounds that they lost money through alleged mismanagement of the LSA.

The LSA was set up during the depression of the 1930s under an experimental scheme to provide work for redundant miners and workers from heavy industry. In the 1970s, it incorporated about 500 smallholdings, mainly growers of salad produce, on 10 estates in different parts of England.

By the end of its life, the programme had run into enormous administrative problems, according to former members.

Output of Indian jute goods falls

By P. C. Mahanti in Calcutta

INDIAN JUTE goods output fell sharply last month to 96,300 tonnes compared with 105,800 in June. Industry sources explained that the fall was due to very high fibre prices which financially weaker mills were unable to meet.

The fall was particularly sharp in the case of sacking where the industry is incurring heavier losses per tonne of output compared with the average loss of Rs 500 (£32.78) per tonne and lower losses on hessian and carpet backing.

PRICE CHANGES

In tonnes unless stated otherwise	Aug. 20 1984	+ or −	Month ago
Metals			
Aluminium	£1100	....	$1100
Free Mkt	$1185/1215	....	£1185/215
Copper			
Cash h Grade	£1012.25	+3.5	£1023
3 mths	£1031.25	+4.5	£1039
Cash Cathode	£1021.0	+2	£1026
3 mths	£1032	+3	£1042
Gold troy oz.	$349.5	−2.00	$335.5
Lead Cash	£355.5	−2.5	£370.5
3 mths	£355.5	−1.25	£364.75
Nickel	£5202	....	£5202
Free Mkt	212/233c	....	208/225c
Palladium oz	$138.75	+2.25	$131
Platinum oz	$343.50	−0.25	$321.25
Quick Silver†	$300/310	....	$295/305
Silver troy oz	590.00p	−4.10	544.95p
3 mths	604.90p	−3.40	560.65p
Tin cash	£9225	+12.5	£9370
3 mths	£9172.5	+18	£9320.5
Tungsten	$89.55	....	$85.17
Wolfram 22 04lb	$77/81	....	$77/82
Zinc	£688	+0.88	£665.5
3 mths	£658.5	+1.25	£662.5
Producers	$990	....	$990

	Aug. 20 1984	+ or −	Month ago
Oils			
Coconut (Phil)	£1100u	−90	$1250
Groundnut	‡	....	‡
Linseed Crude	‡	....	‡
Palm Malayan	$540w	−60	$570
Seeds			
Copra Phil	‡	....	‡
Soyabean (U.S.)	$268.75z	−21.25	$277.5
Grains			
Barley Fut. Nov	£108.90	−0.50	£109.80
Maize	£150.75	....	‡
Wheat Fut. Nov.	£110.10	....	£111.30
No2 Hard Wint	‡	....	‡
Other commodities			
Cocoa ship't*	£1808.5	−84.5	£1950
Futures Dec.	£1668.5	−16.0	£1839.6
Coffee Ft. Nov.	£2253.5	+14.5	£2233
Cotton A index	75.05c	−0.1	78.00c
Gas Oil Sept.	$236.00	+0.75	$221.75
Rubber (kilo)	62.00p	−0.25	67.5p
Sugar (raw)	£85.50	+1.00	£91
Wooltops 64s	466p kilo	....	466p kilo

‡ Unquoted. w Oct. z Sept. v Sept-Oct. u Aug-Sept. y Oct-Nov. † Per 75 lb flask. * Ghana cocoa. n Nominal. c Cents per pound.

LONDON OIL

SPOT PRICES

	Latest	Change + or −
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	27.55-27.70	−0.05
Dubai Fateh	27.10-27.25	+ —
Arab Heavy	26.65-26.70	+0.05
North Sea (Forties)	28.00-28.15	−0.01
North Sea (Brent)	28.20-28.50	−0.05
African (Bonny Li'ht)	28.50-28.60	−0.05
PRODUCTS—North West Europe ($ per tonne)		
Premium gasoline	261-266	—
Gas Oil	232-237	+ 1
Heavy fuel oil	177-179	—

GAS OIL FUTURES

Prices moved higher throughout a lacklustre days trading, supported by buying interest on the physicals. Activity was very light, with many traders looking for a definite trend to emerge from the current nervousness, reports Premier Man.

Month	Yest'day's close	+ or −	Business Done
	$ U.S. per tonne		
Aug.	233.00	+3.00	233.00-29.25
Sept.	235.00	+0.75	235.25-33.10
Oct.	239.00	+0.50	239.00-37.10
Nov.	242.50	+0.25	242.75-41.25
Dec.	245.75	−0.75	245.50-45.00
Jan.	247.00	−0.50	248.00-46.00
Feb.	243.00	−1.00	243.00-43.00
March	236.00	−45.0	—
April	236.00	−39.0	—

Turnover: 1,197 (2,081) lots of 10 tonnes.

GOLD MARKETS

Gold fell $2 an ounce from Friday's close in the London *bullion market yesterday to* finish at $349¼-349¾. The metal opened at $350-350½ and traded between a high of $350-350½ and a low of $348¼-348¾. The weaker trend in the afternoon reflected a late upturn in the U.S. dollar.

In Luxembourg the dollar per ounce equivalent of the 12½ kilo bar was $349.65 per kilo against $350.60.

In Frankfurt gold was fixed at DM 32,370 per kilo ($350.81 per ounce) against DM 32,370 ($351.98) and closed at $349-349½ from $351½-352.

In Paris the 12½ kilo bar was fixed at FFr 99,000 per kilo ($349.39 per ounce) in the afternoon compared with FFr 99,000 per kilo ($349.41) in the morning and FFr 99,200 ($351.23) on Friday afternoon.

In Zurich gold finished at $349-349½ from $351½-352.

LONDON FUTURES

Month	Yest'days close	+ or −	Business Done
	$ per troy ounce		
Aug	—	—	—
Oct	—	—	—
Dec	360.80-60.30	−2.95	362.00-60.00
Feb.	367.80-68.50	−1.60	—
April	—	—	—
June	—	—	—

[illegible]

EUROPEAN MARKETS

[illegible]

BRITISH COMMODITY PRICES

BASE METALS

BASE-METAL prices were quietly mixed on the London Metal Exchange. Aluminium traded in subdued fashion throughout the morning session but encountered a lively two-way volume later and finally settled at £871.5 reflecting short selling. Lead eased to £357 on reported bear closing following the slightly disappointing fall in London warehouse stocks. Tin opened higher at £9,180, touched £9,205 but drifted thereafter to close only fractionally higher on balance at £9,170. Copper traded quietly with arbitrage business, leaving the close at £1,031; while Zinc, aided by computer buying, firmed at £640.5.

COPPER

COPPER	a.m. Official	+ or −	p.m. Unofficial	+ or −†
High Grde	£	£	£	£
Cash	1010-11	+.75	1012-.5	+3.5
3 months	1029-.5	+1	1031-.5	+4.5
Settlem't	1011	+1	—	.....
Cathodes				
Cash	1018-19	−2.5	1020-2	+2
3 months	1030-31	+2	1031-3	+3
Settlem't	1019	−2	—	.....

Amalgamated Metal Trading reported that in the morning three months Higher Grade traded at £1,029, 28, 28.5, 28, [illegible]

[illegible]

TIN

[illegible]

LEAD

[illegible]

ZINC

[illegible]

ALUMINIUM

[illegible]

NICKEL

[illegible]

Nickel—Morning: Cash £33.75, three months £3,670. Afternoon: Cash £3,658, three months £3,660, 58. Kerb: Three months £3,655. Turnover: 564 tonnes.

SILVER

Silver was fixed 4.10p an ounce lower for spot delivery in the London bullion market yesterday at 590.0p. U.S. cent equivalents of the fixing levels were: spot 778.5c, down 6.5c; three-month 800.7c, down 6.1c; six-month 824.0c, down 5c; and 12-month 873.8c, down 5c. The metal opened at 590½-593½p (781-784c) and closed at 587-590p (775-778c).

SILVER per troy	Bullion fixing price	+ or −	L.M.E. p.m. Unoffial	+ or −
Spot	590.00p	−4.10	586.25p	−9.75
3 months	604.90p	−3.40	601.75p	−9.75
6 months	619.90p	−2.65	—	.....
12 months	651.35p	−2.50	—	.....

LME (2,000 oz contract)—Cash 596.25p (596.00p): three months 601.75p (611.00p). Turnover: 0 (0).

Turnover: 36 (34) lots of 10,000 ozs. Morning: Large 1st ring three months 606. 2nd ring three months 606, 05.5. Kerb: Large three months 605.5. Afternoon: Large 1st ring three months 602.5, 01.5, 02.0. 2nd ring three months 602.5, 02. Kerb: Large three months 601.5.

COCOA

[illegible]

COFFEE

[illegible]

GRAINS

[illegible]

Oct 152.50, sellers transhipment East Coast. Barley: English feed, fob: Aug 106, Sept 108, Oct/Dec 112.50, sellers East Coast.

PIGMEAT

Physical pig prices fell fairly sharply over the weekend, which set the tone [illegible]

POTATOES

[illegible]

RUBBER

[illegible]

SOYABEAN MEAL

[illegible]

SUGAR

[illegible]

TEA AUCTION

[illegible]

WOOL FUTURES

[illegible]

offshore section. Demand was strong and general with a better enquiry for dusts. Brightest Africans were a strong feature gaining 10-15p and sometimes more. Mediums showed some irregularity but were generally fully firm. Ceylons sold well with better liquoring sorts and colour mediums irregularly dearer. Offshore teas [illegible]

INDICES

FINANCIAL TIMES

[illegible]

REUTERS

[illegible]

MOODY'S

[illegible]

DOW JONES

[illegible]

COTTON

[illegible]

JUTE

[illegible]

MEAT/FISH

[illegible]

AMERICAN MARKETS

Precious metals opened lower but followed the currency lead in gradually losing more ground. Copper prices started steady but finished weak as arbitrage activity picked up with the fading pound. The selling phychology in copper prevailed despite constructive fundamentals such as declining stocks on the LME and Comex. [illegible]

Cotton was marginally lower mostly on reports aof mixed precipitation and crop progress. Cocoa prices were about unchanged with somewhat larger than expected tenders keeping prices fractionally lower. Coffee was lower on rumours that a quote cut at this time would be highly unlikely. Continued heavy selling pressure in the [illegible]

NEW YORK

[illegible]

CHICAGO

[illegible]

Dec	771.1	805.0	768.0	809.1
Jan	778.5	808.0	780.0	817.0
March	794.1	828.0	792.0	833.0
May	810.0	841.0	810.0	849.3
July	826.6	862.0	835.0	866.3
Sept	844.6	875.0	855.0	884.6
Dec	871.8	—	—	912.6

Jan	25.30	25.95	25.30	26.30
March	25.25	25.70	25.25	26.25
May	25.30	25.70	25.30	26.25
July	25.30	25.85	25.30	26.30
August	25.20	—	—	26.20

WHEAT 5,000 bu min, cents/60-lb bushel

	Close	High	Low	Prev
Sept	338.2	344.2	338.0	344.2
Dec	354.2	360.0	354.0	360.0
March	364.6	370.0	364.4	370.4
May	364.4	369.2	364.4	370.0
July	351.0	356.4	351.0	356.0
Sept	358.4	—	—	361.4

SPOT PRICES—Chicago loose lard 29.00 (same) cents per pound. New York tin 599.00-568.00 (559.00-567.00) cents per pound. Handy and Harman silver bullion 778.60 (788.00) cents per troy ounce.

Water ban on sports grounds in Glasgow

GOLF COURSES, football fields and other sports grounds in the Strathclyde region were banned from using water from yesterday because of falling reservoir levels.

A hosepipe ban is already in operation and with some reservoirs down to less than six weeks' supply, contingency plans have been drawn up for rationing if there is no break in the driest summer recorded in Glasgow since 1887.

Strathclyde officials estimate that a fortnight's torrential rain is needed to restore reservoirs to normal levels. "We are now looking for a really dramatic reduction in the amount of water people are using" Mr Daniel McMillan water committee chairman, said.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar rises in thin trade

The dollar was slightly firmer in thin foreign exchange trading yesterday. It touched a peak of DM 2.8785 against the D-mark but then lost ground, on covering of positions, to finish only a little higher on the day. The market is waiting for any evidence of a change in U.S. monetary policy following this week's meeting of the Federal Open Market Committee, and indications about the state of the U.S. economy as a result of tomorrow's figures on consumer prices and durable goods orders.

There was a second revision to the U.S. second quarter gross national product yesterday, but the rise of 7.6 per cent compared with the previous estimate of 7.5 per cent had little or no impact. The major factor keeping the dollar firm was the high level of Federal funds in New York at around 11¾ per cent.

The dollar rose to DM 2.8680 from DM 2.86 against the D-mark; FFr 8.8060 from FFr 8.7775 against the French franc; SwFr 2.3950 from SwFr 2.3835 in terms of the Swiss franc; but eased slightly to Y240.95 from Y341 against the Japanese yen.

On Bank of England figures the dollar's trade-weighted index rose to 136.1 from 135.9.

STERLING — Trading range against the dollar in 1984 is 1.4905 to 1.3020. July average 1.3210. Trade-weighted index unchanged all day at 78.5, compared with 82.3 six months ago.

Sterling showed little change in quiet trade, falling to $1.3175-1.3185 from $1.3220-1.3230 against the firmer dollar, after touching a peak of $1.3250 and a low of $1.3140. The pound was unchanged at DM 3.7825, and improved to SwFr 3.1575 from SwFr 3.1475, but fell to FFr 11.6175 from FFr 11.62, and to Y317.50 from Y318.50.

D-MARK — Trading range range against the dollar in 1984 is 2.9145 to 2.5535. July average 2.8473. Trade weighted index 123.9 against 126.3 six months ago.

The dollar was fixed at DM 2.8708 against the D-mark at yesterday's fixing in Frankfurt yesterday up from DM 2.8613 on Friday. The Bundesbank was active both at the fixing and in the open market, selling dollars to contain the rise. The authorities sold $42.4m at the fixing with intervention outside the fixing totalling around a nominal $5m. Dealers were active adjusting positions ahead of the release of U.S. revised second quarter GNP figures. These later showed little change from the previous figure of 7.5 per cent. Elsewhere sterling was higher at DM 3.7880 from DM 3.7860 while within the EMS the Belgian franc rose to DM 4.9540 per BFr 100 from DM 4.95.

JAPENESE YEN — Trading range against the dollar in 1984 is 246.90 to 233.10. July average 242.88. Trade weighted index 155.3 against 155.1 six months ago.

The dollar eased from the opening level in Tokyo yesterday and was also down from Friday's close in New York. It still shows a small improvement from Friday's close in Tokyo however. It closed at Y240.60 down from Y240.90 at the opening and Y241.00 in New York. Friday's close in Tokyo was Y240.10. After an initially firmer trend, the dollar eased back on renewed selling. The dollar's performance was affected by market nervousness ahead of revised U.S. second quarter GNP figures. Elsewhere the D-mark was lower at Y84.18 from Y84.28 in New York although the closing level in Tokyo was the same at Y84.18.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu August 20	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	45.1977	+0.66	+0.68	±1.5447
Danish Krone ...	8.14104	8.16868	+0.34	+0.34	±1.6425
German D-Mark	2.24184	2.23819	−0.16	−0.16	±1.0642
French Franc ...	6.87456	6.87087	−0.05	−0.06	±1.4052
Dutch Guilder ...	2.52595	2.52565	−0.01	−0.01	±1.4964
Irish Punt	0.72569	0.725247	−0.06	−0.06	±1.6699
Italian Lira	1403.49	1385.23	−1.30	−1.30	±4.1506

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

£ in New York Latest

	Aug. 20	Prev. close
Spot	$1.3170 3180	$1.3225 3235
1 month	0.10-0.14 dis	0.11-0.13 dis
3 months	0.47-0.52 dis	0.46-0.50 dis
12 months	2.20-2.35 dis	2.25-2.40 dis

Forward premiums and discounts apply to the U.S. dollar.

THE POUND SPOT AND FORWARD

Belgian rate is for convertible francs. Financial franc 77.10-77.20. Six-month forward dollar 0.97-1.02c dis. 12-month 2.10-2.25c dis.

Aug 20	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.3140-1.3250	1.3175-1.3185	0.10-0.14c dis	−1.09	0.43-0.48dis	−1.38
Canada	1.7180-1.7200	1.7160-1.7170	0.20-0.28p dis	−1.68	0.67-0.79dis	−1.70
Nethlnd.	4.2615-4.2850	4.26¼-4.27¼	1⅞-1⅝c pm	4.92	4¾-4⅝ pm	4.16
Belgium	76.35-76.60	76.35-76.45	par-7c dis	−0.55	8-18 dis	−0.68
Denmark	13.79½-13.84	13.83-13.84	1½-2⅝ore dis	−1.79	1.2-2.4dis	−0.52
Ireland	1.2250-1.2290	1.2250-1.2260	0.12-0.28p dis	−1.96	0.62-0.85dis	−2.40
W. Ger.	3.77¾-3.80	3.77¾-3.78¾	1⅞-1⅝pf pm	5.55	4½-4¼ pm	4.82
Portugal	197.40-198.76	197.55-198.70	215-620c dis	−25.29	530-1250d	−17.97
Spain	216.00-216.60	216.10-216.30	66-91c dis	−4.36	222-272 dis	−4.57
Italy	2,332¾-2,348	2,340-2,341	6¾-7¼lire dis	−3.22	22¾-24½dis	−3.39
Norway	10.88¾-10.92½	10.90½-10.91½	1½-2⅞ore dis	−2.20	5⅜-6⅜ dis	−2.27
France	11.606-11.650	11.61½-11.62½	¼-1⅛c dis	−0.71	3-4⅞ dis	−1.25
Sweden	10.99-11.01½	10.99-11.00	2⅛-2⅞ore dis	−2.73	7⅛-8⅞ dis	−2.96
Japan	317-319	317-318	1.41-1.31y pm	5.14	3.60-3.45 pm	4.44
Austria	26.45-26.67	26.55-26.60	9¾-8¼gro pm	4.09	23⅞-20½ pm	3.34
Switz.	3.15½-3.17½	3.15¾-3.16¾	1⅞-1⅝c pm	6.65	4⅞-4⅝ pm	6.62

THE DOLLAR SPOT AND FORWARD

Aug 20	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.3140-1.3250	1.3175-1.3185	0.10-0.14c dis	−1.09	0.43-0.48dis	−1.38
Ireland†	1.0745-1.0770	1.0750-1.0760	0.10-0.04c pm	0.78	0.30-0.20 pm	0.93
Canada	1.3005-1.3025	1.3015-1.3020	0.055-0.075c dis	−0.60	0.095-0.12d	−0.33
Nethlnd.	3.2340-3.2400	3.2345-3.2355	1.67-1.63c pm	6.12	4.53-4.49 pm	5.57
Belgium	57.75-58.00	57.90-57.95	3½-2c pm	0.57	12-9 pm	0.72
Denmark	10.46½-10.48½	10.46¾-10.47¼	1-½ore pm	0.86	2.90-2.40 pm	1.01
W. Ger.	2.8560-2.8785	2.8675-2.8685	1.70-1.65pf pm	7.01	4.51-4.46 pm	6.25
Portugal	149-152	149¾-150½	150-450c dis	−24.00	350-900dis	−16.67
Spain	163.75-164.05	163.80-163.90	35-50c dis	−3.11	115-145 dis	−3.17
Italy	1,773½-1,777	1,774½-1,775½	3¼-3¾lire dis	−2.36	11¼-12¼dis	−2.64
Norway	8.26½-8.27½	8.26¾-8.27¼	0.45-0.95ore dis	−1.02	1.30-1.80dis	−0.75
France	8.7700-8.8350	8.8035-8.8085	0.40-0.32c pm	0.49	0.75-0.60 pm	0.28
Sweden	8.33-8.34	8.33¼-8.33¾	0.85-1.35ore dis	−1.58	2.95-3.45dis	−1.54
Japan	240.50-241.75	240.90-241.00	1.27-1.23y pm	6.22	3.52-3.47 pm	5.81
Austria	20.12-20.17	20.13-20.14	9¼-8¼gro pm	5.38	26¼-24¼ pm	5.01
Switz.	2.3836-2.4070	2.3945-2.3955	1.60-1.54c pm	7.87	4.25-4.19 pm	7.05

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

Belgian rate is for convertible francs. Financial franc 58.51-58.56.

OTHER CURRENCIES

Aug. 20	£	$		£ Note Rates
Argentina Peso	90.37-90.55	68.49-68.55	Austria	26.45-26.75
Australia Dollar	1.5410-1.5430	1.1680-1.1685	Belgium	76.90-77.70
Brazil Cruzeiro	2,616.6-2,631.8	1,988-1,993	Denmark	13.77-13.91
Finland Markka	7.9500-7.9730	6.0390-6.0400	France	11.58-11.70
Greek Drachma	151.90-152.35	115.10-115.40	Germany	3.77-3.81
Hong Kong Dollar	10.33½-10.34½	7.8385-7.8415	Italy	2326-2360
Iran Rial	119.35*	90.30*	Japan	317-322
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

* Selling rate.

CURRENCY MOVEMENTS

Aug. 20	Bank of England Index	Morgan Guaranty Changes%
Sterling	78.6	−12.0
U.S. dollar	136.1	+23.5
Canadian dollar	89.7	−3.0
Austrian schilling	114.8	+3.8
Belgian franc	90.0	−10.6
Danish Kroner	77.4	−6.4
[illegible]	[illegible]	[illegible]

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

CURRENCY RATES

Aug. 20	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.771978	0.591354
U.S. $	9	1.08031	0.779641
Canadian $	12.43	*	1.01548
Austria Sch.	4½	N/A	15.7254
Belgian Fr.	11	59.0536	45.1977
Danish Kr.	7	10.6707	8.16868
D'mark	4½	2.92471	2.23819
Guilder	5	3.30034	2.52565
[illegible]	[illegible]	[illegible]	[illegible]

* CS/SDR rate for August 17: Not available.

EXCHANGE CROSS RATES

[illegible]

EURO-CURRENCY INTEREST RATES (Market closing rates)

[illegible]

Asian $ (closing rates in Singapore): Short-term 11⅞-11¹¹⁄₁₆ per cent; seven days 11⅞-11¹³⁄₁₆ per cent; one month 11⅜-11⅝ per cent; three months 11¹³⁄₁₆-11¹⁵⁄₁₆ per cent; six months 12⅜-12⅝ per cent; one year 12⅞-12⅝ per cent. Long-term Eurodollars: two years 13-13¼ per cent; three years 13⅛-13⅜ per cent; four years 13¼-13⅝ per cent; five years 13⅜-13⅝ per cent nominal closing rates. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

FINANCIAL FUTURES

Quiet trading

Trading was rather quiet in the London International Financial Futures Exchange yesterday. Volume was down on recent levels in the absence of any fresh factors to influence the market. Values opened little changed from U.S. closing levels with no fresh trend developing in early trading.

Gilt prices survived a number of early attempts to push values lower on the weakness of the pound although the latter's recovery from the day's lows and a firmer U.S. bond market sparked off a recovery later in the day. The September price opened at 105-11 down from 105-14 and touched a low of 105-02 before recovering to close at 105-14.

The U.S. bond market was better despite a firm Federal funds rate of 11¾ per cent. The revised second quarter U.S. GNP figure was little changed and prompted little reaction in the market. There appeared to be some tension ahead of Friday's release of the minutes of the previous Federal Open Market Committee meeting which appeared likely to show the authorities accommodating a slightly higher Fed funds rate. Today's FOMC meeting is not seen as revealing any surprises, in fact it is not seen as revealing anything since the minutes are not released until some time afterwards.

The September Euro-dollar contract opened at 90.00, unchanged from Friday's close and touched a low of 89.93 before closing at 89.84.

The F.T.-S.E. index was marked down in early trading but recovered later in the day in line with a better Gilt market.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
Sept	88.38	88.40	88.34	88.37
Dec	87.98	88.02	87.97	88.00
March	87.68	87.75	87.68	87.70
June	87.48	87.56	87.48	87.51
Sept	87.31	87.35	87.31	87.35

Est volume 2,024 (2,175)
Previous day's open int 13,008 (13,022)

THREE-MONTH STERLING DEPOSIT £250,000 points of 100%

[illegible]

FT-SE 100 INDEX 25 per full index point

	Close	High	Low	Prev
Sept	107.25	107.75	106.75	107.55
Dec	107.35	107.35	107.00	107.80
March	107.35	—	—	107.80

Est volume 196 (213)
Previous day's open int 1,036 (1,072)

U.S. TREASURY BONDS 8% $100,000 32nds of 100%

	Close	High	Low	Prev
Sept	66-07	66-12	65-27	65-22
Dec	65-18	—	—	65-00
March	65-00	—	—	64-14

Est volume 933 (825)
Previous day's open int 2,043 (2,051)

CHICAGO

[illegible]

	Close	High	Low	Prev
Sept	66-31	66-11	65-30	66-14
Dec	65-00	65-10	64-31	65-15
March	—	64-12	64-09	64-18
June	—	—	—	63-26
Sept	—	—	—	63-06
Dec	—	—	—	62-21
Marhc	—	—	—	—
June	—	—	—	61-29

MONEY MARKETS

London rates firmer

Interest rates were quite firm on the London money market yesterday and the discount houses were again willing to sell bills outright to the authorities. Another reduction in clearing bank base rates may be expected, but judging by the present mood of the market this is not imminent.

On the interbank market three-month money rose to 10⅞ per cent from 10¾ per cent, while the discount houses buying rate for three-month eligible bank bills was little changed at 10½ per cent compared with 10¹⁷⁄₃₂ per cent.

UK clearing banks' base lending rate 10½ per cent (since August 20)

The Bank of Egland forecast a money market shortage of £750m, but provided total help of only £560m, mainly through purchases of bills outright from the market.

On account of the large shortage the authorities offered an early round of help and at that time bought £133m bills outright, by way of £26m bank bills in band 1 (up to 14 days maturity) at 10½ per cent; £64m bank bills in band 2 (15-33 days) at 10⅜ per cent; £40m bank bills in band 3 (34-63 days) at 10¼ per cent; and £3m bank bills in band 4 (64-91 days) at 10¼ per cent.

Before lunch another £87m bills were purchased through £28m bank bills in band 2 at 10⅜ per cent; £13m bank bills in band 3 at 10¼ per cent; and £46m bank bills in band 4 at 10¼ per cent.

In the afternoon a further £200m bills were bought by way of £10m Treasury bills in band 1 at 10½ per cent; £2m bank bills in band 1 at 10½ per cent; £15m local authority bills in band 2 at 10⅜ per cent; £43m bank bills in band 2 at 10⅜ per cent; £51m bank bills in band 3 at 10¼ per cent; £34 Treasury bills in band 4 at 10¼ per cent; and £45 bank bills in band 4 at 10¼ per cent.

Late assistance of around £140m was also provided.

Bills maturing in official hands, repayment of late assistance and a take-up of Treasury bills from Friday's tender absorbed £527m, while the unwinding of repurchase agreements drained £509m, and bank balances below target another £30m. These factors outweighed Exchequer transactions adding £95m to liquidity, and a fall in the note circulation of £240m.

MONEY RATES

Aug. 20	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	5.35-5.45	12⅞	1½-2	6-6⅛	6.03125	16¼-16⅝	11.40	12⅝-12⅝
One month	5.7-5.85	11¼ 11⅜	4⅝-4½	6-6⅛	6.28125	16¼-16⅝	11¹⁄₁₆-11¼	12⅝-12⅞
Two months	5.75-5.90	11⅛-11⅛	—	—	—	—	—	12⅞-13⅛
Three months	5.85-6.00	11⅝-11⅛	4¾-4⅞	6⅛-6⅜	6.28125	16⅛-16⅞	11⅛-11¼	13-13¼
Six months	6.10-6.25	11¼-11⅝	—	6⅜-6¹¹⁄₁₆	—	—	11⅛-11⅝	13⅜-13⅝
Lombard	5.5	—	—	—	—	—	—	—
Intervention	—	11¼	—	5¾	—	—	—	—

LONDON MONEY RATES — Discount Houses Deposit and Bill Rates

Aug. 20 1984	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	10¾-12½	10¾-11½	11-11¼	10¾-11	—	—	—	—	—
2 days notice	—	—	10¾-10⅞	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	10¾-11⅛		11-11¼	10½-10⅝	—	—	—	—	—
One month	10⅝ 10⅝	10⅝-10⅝	10¾-10⅞	10⅞-10⅞	10⅝	10⅜	[illegible]	[illegible]	[illegible]	[illegible]
Two months	10⅝-10⅝	10⅝-10¾	10⅝	10⅞	10⅛	10¼	[illegible]	[illegible]	[illegible]	[illegible]
Three months	10⅝-10⅝	10½-10¾	10⅝	10⅞	10	10	[illegible]	[illegible]	[illegible]	[illegible]
Six months	10⅝-10¾	10⅝ 10⅝	10⅝	—	—	—	[illegible]	[illegible]	[illegible]	[illegible]
Nine months	10⅝-10⅞	10½-10⅝	—	—	—	—	[illegible]	[illegible]	[illegible]	[illegible]
One year	10⅝-10⅞	10⅝-10⅝	10⅝	—	—	—	[illegible]	[illegible]	[illegible]	[illegible]

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	11¼-11	—	10⅝	11.5-11.6	9⅝-9⅞	9⅛-9⅞
Two months	11⅛-10⅞	—	10⅝	11.55-11.65	9¾-10	9⅛-9⅝
Three months	11-10¾	—	10¾	11.65-11.75	9⅝-10⅛	9⅛-9½
Six months	10½-10¼	—	10¾	11.95-12.05	10⅛-10⅝	9⅞-10⅛
Nine months	10¾-10½	—	10¾	11.95-12.1	—	—
One year	10¾-10½	—	10¾	12.1-12.5	10⅝-10⅝	10¼-10½
Two years	—	11	—	—	—	—
Three years	—	11⅛	—	—	—	—
Four years	—	11¼	—	—	—	—
Five years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ECGD Fixed Rate Export Finance Scheme IV: Average Rate of interest period July 4 to August 7 1984 (inclusive): 11.761 per cent. [illegible]

FT LONDON INTERBANK FIXING

LONDON INTERBANK FIXING (11.00 a.m. August 20)

3 months U.S. dollars

bid 11 13/16	offer 11 15/16

6 months U.S. dollars

bid 12 1/16	offer 12 3/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (Lunchtime)

[illegible]

Treasury Bills

[illegible]

Treasury Bonds

[illegible]

£ WORLD VALUE OF THE POUND

The table below gives the latest available rate of exchange for the pound against various currencies on August 20, 1984. In some cases rate is nominal. Market rates are the average of buying and selling rates except where they are shown to be othrwise. In some cases market rates have been calculatd from those of foriegn currencies to which they are tied.

Abbreviations: (A) approximate rate, no direct quotation available; (F) free rate; (P) based on U.S. dollar parities and going sterling-dollar rates; (T) tourist rate; (Bas) basic rate; (bg) buying rate; (Bk) bankers' rates; (cm) commercial rate; (ch) convertible rate; (fu) financial rate; (exC) exchange certificate rate; (nc) non-commercial rate; (nom) nominal; (o) official rate; (sg) selling rate.

COUNTRY	CURRENCY	VALUE OF £ STERLING
Afghanistan	Afghani	99.00
Albania	Lek	10.07
Algeria	Dinar	(A) 6.5920
Andorra	French Franc	11.6175
	Spanish Peseta	216.20
Angola	Kwanza	(CM) 43.7625
Antigua	E. Caribbean $	3.56
Argentina	New Peso	90.45
Australia	Australian $	1.5480
Greenland	Danish Kroner	13.835
Grenada	E. Caribbean $	3.55
Guadaloupe	Local Franc	11.6175
Guam	U.S. $	1.3180
Guatemala	Quetzal	1.3180
Guinea	Syli	32.00
Guinea-Bissau	Peso	106.85
Guyana	Guyanese $	4.9575
Haiti	Gourde	6.59
Peru	Sol	exe(A)4,898.9
Philippines	Philippine Peso	23.35
Pitcairn Islands	£ Sterling	—
	New Zealand £	2.6320
Poland	Zloty	148.86
Portugal	Portugu'se Escudo	198.125
Puerto Rico	U.S. $	1.3190
Qatar	Qatari Ryal	4.802
[illegible]	[illegible]	[illegible]
Ghana	Cedi	4.629275
Gibraltar	Gibraltra £	1.0
Greece	Drachma	152.125
Paraguay	Guarani	316.80 (10)
		540.54 (11)
		426.95 (12)
Zaire Republic	Zaire	48.46
Zambia	Kwacha	2.50
Zimbabwe	Zimbabwe	1.6845

* Rate is the transfer market (controlled). ‡‡ Now one official rate. (‡) Based on gross rates against Russian rouble. (1) Essential goods. (2) Preferential rate for priority imports such as foodstuffs. (4) Preferential rate for public sector debt and essential imports. (5) Preferential rate. (6) Free rate for luxury imports, remittances of money abroad and foreign travel. (7) Parallel rate. (8) Rate for remittances of foreign currency by Egyptians working abroad and tourists. (9) Banknote rate. (10) Rate for exports. (11) Parallel rate. (12) Rate for imports. (13) Essential imports. (14) Non-essential imports. (15) Nearly all business transactions.

Company Notices

KOMMUNLANEINSTITUTET AKTIEBOLAG
9¼% 1980/1990
UA 8,500,000

On August 7, 1984 Bonds for the amount of UA 850,000 have been drawn in the presence of a Notary Public for redemption on September 25, 1984.

The following Bonds will be redeemable coupon due September 25, 1985 and following attached:

901 to 986 incl. 107 to 251 incl.
7264 to 7287 incl. 7901 to 8500 incl.

Amount outstanding: UA 5,100,000

Outstanding drawn Bonds:

2951 to 2978 incl.	2982 to 2995 incl.	3006 to 3011 incl.
3016 to 3025 incl.	3083	3086 to 3102 incl.
3118 to 3128 incl.	3149 to 3162 incl.	3163 to 3191 incl.
3193 to 3214 incl.	3219 to 3228 incl.	3274 to 3276 incl.
3279 to 3301 incl.	3308 to 3320 incl.	3321 to 3354 incl.
3376 to 3397 incl.	3402 to 3407 incl.	3459 and 3460
3475 to 3480 incl.	3483 to 3485 incl.	3487 to 3497 incl.
3512 to 3518 incl.	3544 to 3551 incl.	3552 to 3561 incl.
3567 to 3572 incl.	3583 to 3592 incl.	3594 to 3621 incl.
3624 to 3652 incl.	3656 to 3663 incl.	3666 to 3670 incl.
3675 to 3678 incl.	3679 to 3699 incl.	3749 to 3756 incl.
3862 and 3863	3881	3914 to 3919 incl.

Luxembourg August 21, 1984.

THE FISCAL AGENT
KREDIETBANK S.A. LUXEMBOURGEOISE

Public Notices

INVESTIGATION BY THE MONOPOLIES AND MERGERS COMMISSION
Proposed Merger between The British Electric Traction Company PLC and Initial PLC

On 26 July 1984 the Secretary of State for Trade and Industry referred to the Monopolies and Mergers Commission for investigation and report under the provisions of the Fair Trading Act 1973 the proposed merger between The British Electric Traction Company PLC and Initial PLC.

The Commission are required to make their report by 25 January 1985. Any person or organisation wishing to give information or views on this matter should write to:

The Secretary
Monopolies and Mergers Commission
New Court
48 Carey Street
London
WC2A 2JT

NOTICE TO HOLDERS OF AMOCO AUSTRALIA LIMITED
9⅞% BEARER NOTES DUE 1990
(Amoco Holdings Pty Limited as Guarantor)

Copies of the 1983 Annual Report and Accounts of Amoco Australia Limited and Amoco Holdings Pty Limited can be obtained upon request from:

Morgan Grenfell & Co. Limited,
23 Great Winchester Street,
London EC2P 2AX,
ENGLAND
(Attn. Mr B. M. Lawson)

Legal Notice

THE COMPANIES ACTS 1948 to 1981
ST HELEN'S INSURANCE COMPANY LIMITED

NOTICE IS HEREBY GIVEN, pursuant to Section 293 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at Room 100, 1st Floor, Great Eastern Hotel, Liverpool Street, London, EC2, on Monday, the 10th day of September 1984, at three-thirty o'clock in the afternoon, for the purposes mentioned in Sections 294 and 295 of the said Act.

By Order of the Board
A. R. RIX, Secretary.

Dated this Thirteenth day of August 1984

INTERNATIONAL CAPITAL MARKETS

GUILDER BONDS

World Bank provides a much-needed distraction

Walter Ellis in Amsterdam looks at a bond market dominated by government issues and which is increasingly affected by political and economic developments in West Germany and North America.

LAST WEEK's announcement by Algemene Bank Nederland (ABN) of a Fl 300m issue on behalf of the World Bank was welcome news for the Dutch bond market, which has been distinctly slack lately amid uncertainty over interest rates and overall lack of demand.

The World Bank issue had a coupon of 8.75 per cent – very much par for the course this year in the Netherlands – and was priced at par.

Next day, Amsterdam-Rotterdam Bank, which earlier in the year had managed a Fl 300m issue for the European Investment Bank, came up with a 9.25 per cent capital bond, which was priced at par yesterday. The higher coupon could give a slight lift to the market, which is, however, likely to rise and fall only marginally in coming months.

Part of the difficulty lies in the predominance of the state within the Dutch market. The Netherlands Government raises all of its budget deficit funding through the domestic capital market and, having obtained Fl 800m in July with an 8.75 per cent issue, on top of Fl 17.75bn from previous 1984 bonds, is unlikely to reappear on the scene for some time.

The effective yield of the current crop of state loans has fluctuated from 8.35 per cent in March to 8.74 per cent in June.

Domestic interest rates have bobbed up and down recently and no clear direction has emerged. The official discount rate is now 5 per cent while the promissory note rate, which determines charges on short-term credits, stands at 6 per cent.

Best borrowers in the short market are being billed at between 7.25 and 7.5 per cent, but with a 0.5 per cent surcharge on top following a decision last month by the commercial banks to protect themselves from developments in the U.S.

It is expected that the surcharge will disappear quite soon – perhaps in September – when the market eases. As ever what happens in New York and Washington is the key.

Dutch bond prices and yields also relate closely to the situation in West Germany. Holland attaches central importance to its trade links with Germany, and in consequence tries to align both its currency and its interest rates to those of its powerful neighbour. In the late 1970s, the difference in long-term rates between the two countries could be as much as 2.5 per cent. Since 1982, this spread has shrunk to an average of less than 1 per cent, with the guilder extremely robust at present and even edging out the Deutsche Mark from top spot in the European Monetary System.

Plans in West Germany for the abandonment of its dividend withholding tax are well advanced. But Dutch market analysts do not expect the change, when it comes, to have much effect on the relationship between borrowing between the two countries. There is already no such tax in the Netherlands and one commentator, with ABN, believes that the German connection is in any case elastic and can stretch to meet most situations.

Investors at the beginning of this month were reported keen to see more interest focused on guilder issues and would have welcomed a widening of the spread between guilder and D-Mark rates. They feel optimistic at the moment.

Company profits have risen strongly in the manufacturing sector this year (though bank profits are down), and the Government is believed to have borrowing and public spending under approximate control. They are now waiting for a signal from the U.S.

Bonds generally in the Netherlands are performing reasonably but unspectacularly, as has been the case for more than a year. In 1982, they were kings of the market. Then equities took over, which led to a rash of equity-linked bonds. Today, both sectors are quiet.

The Nederlandsche Bank, which, not surprisingly, is anxious about the possible effect on the guilder of unregulated foreign excursion into guilder issues, continues to publish its calendar of authorised Euro-guilder papers and permitted foreign purchases on the domestic market. Dutch analysts understand the bank's concern but believe a relaxing of the rules could lead to a growth in demand for Dutch bonds.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for August 20.

U.S. DOLLAR STRAIGHTS | Issued | Bid | Offer | Change on day | week | Yield

[illegible]

DEUTSCHE MARK STRAIGHTS

[illegible]

SWISS FRANC STRAIGHTS

[illegible]

YEN STRAIGHTS

[illegible]

OTHER STRAIGHTS

[illegible]

FLOATING RATE NOTES | Spread | Bid | Offer | C.dte | C.cpn | C.yld

[illegible]

CONVERTIBLE BONDS | Cnv. date | Cnv. price | Bid | Offer | Chg. day | Prem

[illegible]

... Oil Co 5½ 98	4/83	984	97¾	98¾	−0⅝	5.86
... Motor 5⅜ 98	4/83	700	98¼	99¼	0	8.32
... Pharm'cal Co 3¼ 98	3/84	9480	134	135¾	+0⅛	36.05
... Leasing 5¼ 98	6/83	2688	126⅝	127⅞	+0⅝	−2.08
... 5 98	11/83	2928	175½	177½	−0¼	8.08
... House 3 99	6/84	612	92⅞	93⅞	−0½	1.49
... Corp 2⅞ 99	5/84	593	84	85	−0½	1.79
... Pharm'cal 4 90	10/83	1808	97½	98½	−0⅝	25.60
... Oil Co 2⅛ 92 SF	3/84	1852	†103	103¼	0	12.08
... Shinpan Co 2 92 SF	3/84	801	†90¾	91	+0½	32.42
... Paper 2¼ 92 SF	4/84	677	†138½	138¾	−1½	−0.32
... 5 92 DM	12/83	520	180	181	−0⅝	23.49
... Realty 6¼ 92 DM	2/83	365	147⅞	148⅞	+3⅛	−2.28

* No information available-previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week – Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date – Date next coupon becomes effective. Spread – Margin above six-month offered rate (†† three month; § above mean rate) for U.S. dollars. C.cpn. – current coupon. Cu. yld – current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day – Change on day. Cnv. date – First date for conversion into shares. Cnv. price – Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem – Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

EUROBONDS

Improved tone for Finnish DM issue

By Maggie Urry in London

EVIDENCE of the Euro-DM bond market's continuing better trend came yesterday with a DM 100m issue from Rautaruukki, the Finnish steel company. The issue was originally planned in June, but lead manager Commerzbank postponed it then, waiting for the better conditions which have now appeared.

The bond, guaranteed by Finland, has a seven-year life and 8 per cent coupon. It traded at a discount of around 1¼ point to its par issue price, inside the 1½ per cent selling concession.

An even better reception was given to a DM 60m issue from Japanese company, Rhythm Watch. The five-year bond carries warrants to convert into shares at an expected 2½ per cent premium. The indicated yield of the bond is 5 per cent. Dresdner Bank priced the issue at par and dealers reported it trading above that level.

Seasoned D-Mark bonds were ¼ point better, while the recent World Bank issue picked up to around par.

The publication in the U.S. of Treasury regulations, covering the proposed special registered bonds and corporate bearer bonds to be sold to Europeans, did little to enlighten Eurodollar dealers. The document – half an inch thick – is keeping many lawyers usefully employed.

The Eurodollar market was quiet yesterday. As one trader put it, "dealers have all got their books straight – now they don't want to upset them." Prices rose by about ⅛ point following the firmer New York trend.

The $125m floating rate note launched late on Friday by Marine Midland traded at a discount of 0.325 per cent to its par issue price, well inside total fees; while the Wells Fargo FRN, also announced on Friday, jumped from a 0.35 per cent discount to a 0.20 per cent discount.

Only one new issue appeared – a $50m 12¾ per cent five-year bond for Tohoku Electric Power, lead managed by Nomura International. The coupon looked low to European eyes and the issue did not trade actively. It was quoted inside its 1⅞ per cent total fees.

The issue is the latest in a series of similarly-priced deals, thought to have been largely sold into Japan. Signs of some resistance to that process are beginning to emerge and time may be running out for borrowers.

In the Swiss franc sector seasoned bond prices gained a ¼ point in modest turnover. The Japanese paint company Asahipen raised SwFr 20m through a private placement of a five-year convertible bond. Lead manager Banque Morgan Grenfell en Suisse indicated a 2⅝ per cent coupon and a 5 per cent conversion premium. Final terms will be set on August 29.

BHF Bank bond average

August 20		Previous
99.607		99.582
High	1984	Low
100.009		98.056

French bill rate set at tender

By Our Financial Staff

THE INTEREST RATE on 24-month treasury bills was set at 11$\frac{23}{64}$ per cent in Paris when the Bank of France sold FFr 2.92bn at yesterday's tender. That compares with 12$\frac{27}{32}$ on tender on May 4, according to money market dealers.

Interest is paid quarterly on yesterday's bills, but only at term on the May tender. The annual yield on yesterday's bills is 12.03 per cent.

Bids totalled FFr 5.57bn against the Bank of France's original offer of FFr 3bn.

The bank also sold FFr 3.13bn of six-month bills with variable interest rates set between $\frac{21}{128}$ and $\frac{25}{128}$ per centage points below the average monthly call money rate. Bids totalled FFr 5.85bn against an offer of FFr 3bn.

FHLM offers debentures

By Our Financial Staff

THE FEDERAL Home Loan Mortgage group is offering $300m of three-year debentures.

The group said the debentures, which will be dated August 30, will be available in book entry through the Federal Reserve system in minimum denominations of $10,000 with $5,000 increments.

It said interest on the debentures will be paid semi-annually with principal due on August 30, 1987. The debentures will be sold at cost and the certificate rate will be announced tomorrow.

WORLD STOCK MARKETS

OVER-THE-COUNTER

Continued from Page 26

Stock | Sales (Hnds) | High | Low | Last | Chng

[illegible]

NEW YORK – DOW JONES

[illegible]

STANDARD AND POORS

[illegible]

N.Y.S.E. ALL COMMON

[illegible]

RISES AND FALLS

[illegible]

TORONTO

[illegible]

MONTREAL Portfolio

[illegible]

* Indicates pre-close figure

New York Active Stocks

[illegible]

Indices

	Aug. 20	Aug. 17	Aug. 16	Aug. 15	1984 High	1984 Low
AUSTRALIA						
All Ord. (1/1/80)	755.5	753.9	755.8	755.1	767.8 (9/1)	646.5 (18/6)
Metal & Minls. (1/1/80)	471.5	468.5	472.7	472.1	587.4 (6/1)	404.9 (24/7)
AUSTRIA						
Credit Aktien (2/1/62)	55.56	55.55	55.54	(c)	56.21 (3/1)	54.29 (15/6)
BELGIUM						
Belgian SE (31/12/63)	158.60	150.86	158.44	(c)	158.25 (7/5)	135.29 (4/1)
DENMARK						
Copenhagen SE (3/1/83)	192.88	195.27	192.81	196.80	225.21 (20/1)	179.27 (1/6)
FRANCE						
CAC General (31/12/82)	162.6	162.5	162.5	(c)	181.7 (8/5)	155.6 (3/1)
Ind Tendance (30/12/83)	105.0	104.8	104.8	(c)	115.0 (3/5)	99.4 (3/1)
GERMANY						
FAZ Aktien (31/12/58)	340.05	339.26	337.99	338.32	378.84 (2/2)	317.17 (25/7)
Commerzbank (1/12/53)	988.1	984.2	979.7	985.6	1090.5 (2/2)	917.7 (25/7)
HONG KONG						
Hang Seng Bank (31/7/64)	898.90	908.34	906.19	918.88	1178.55 (19/3)	746.02 (13/7)
ITALY						
Banca Comm Ital. (1972)	217.50	216.92	212.38	(c)	228.67 (1/3)	192.96 (2/1)
JAPAN**						
Nikkei-Dow (16/5/49)	10553.3	10449.48	10416.2	10441.6	11,190.17 (4/5)	9703.35 (23/7)
Tokyo SE New (4/1/68)	816.16	808.86	805.77	806.67	878.62 (2/4)	750.45 (4/1)
NETHERLANDS						
ANP-CBS General (1970)	160.8	160.9	159.7	161.1	178.5 (1/2)	146.6 (24/7)
ANP-CBS Indust (1970)	128.7	128.5	128.1	128.0	147.2 (1/3)	118.7 (16/6)
NORWAY						
Oslo SE (4/1/83)	260.05	260.0	257.67	260.17	290.70 (9/5)	221.67 (4/1)
SINGAPORE						
Straits Times (1966)	935.87	935.68	940.44	952.55	1071.81 (3)	867.96 (19/7)
SOUTH AFRICA						
Gold (1958)	(u)	984.1	(u)	974.0	1075.6 (6/8)	789.1 (24/1)
Industrial (1958)	(u)	991.2	(u)	996.3	1185.3 (20/3)	862.2 (7/8)
SPAIN						
Madrid SE (30/12/83)	139.43	137.56	136.65	(c)	141.05 (8/8)	101.02 (3/1)
SWEDEN						
Jacobson & P. (1/1/58)	1,518.75	1582.77	1486.08	1515.67	1594.8 (3/2)	1,288.00 (29/6)
SWITZERLAND						
SwissBank Cpn. (31/12/58)	382.9	382.9	379.3	379.3	398.5 (5/1)	354.8 (25/7)
WORLD						
Capital Intl. (1/1/70)	—	182.5	182.8	181.2	190.6 (3/5)	164.8 (24/7)

** Saturday August 11: Japan Nikkei-Dow (c). TSE (c).

Base values of all indices are 100 except Australia All Ordinary and Metals—500. NYSE All Common—50; Standard and Poors—10; and Toronto Composite and Metals—1,000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.